

PART 2

NATIONAL CAPITAL AIRPORTS

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON

INTERSTATE AND FOREIGN COMMERCE

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH CONGRESS

SECOND SESSION

ON

H.R. 7399

A BILL TO CREATE THE NATIONAL CAPITAL AIRPORTS CORPORATION,
TO PROVIDE FOR THE OPERATION OF THE FEDERALLY OWNED CIVIL
AIRPORTS IN THE DISTRICT OF COLUMBIA OR ITS VICINITY BY THE
CORPORATION, AND FOR OTHER PURPOSES

H.R. 7398

A BILL TO AMEND THE ACT OF OCTOBER 9, 1940 (50 STAT. 1030, 1039),
IN ORDER TO INCREASE THE PERIODS FOR WHICH AGREEMENTS FOR
THE OPERATION OF CERTAIN CONCESSIONS MAY BE GRANTED AT THE
WASHINGTON NATIONAL AIRPORT, AND FOR OTHER PURPOSES

H.R. 10471

A BILL TO TRANSFER CERTAIN ADMINISTRATIVE RESPONSIBILITY
FOR THE OPERATION OF WASHINGTON NATIONAL AIRPORT AND
DULLES INTERNATIONAL AIRPORT FROM THE ADMINISTRATOR OF THE
FEDERAL AVIATION AGENCY TO A WASHINGTON AIRPORTS BOARD,
AND FOR OTHER PURPOSES

MAY 2, 3, AND 4, 1962

Printed for the use of the
Committee on Interstate and Foreign Commerce

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NATIONAL CAPITAL AIRPORTS

WEDNESDAY, MAY 2, 1962

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS OF
THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:22 a.m., in room 1334, New House Office Building, Hon. John Bell Williams (chairman of the subcommittee) presiding.

Mr. WILLIAMS. The committee will be in order, please.

This morning the Committee on Transportation and Aeronautics is meeting to receive additional information from the Federal Aviation Agency and others on H.R. 7399, a bill to establish a National Capital Airports Corporation, and also to begin hearings on H.R. 10471 by our colleague, Mr. Brewster, of Maryland, to set up an independent board to operate the Washington National Airport and Dulles International Airport.

A copy of H.R. 10471 and agency reports will be inserted at this point in the record, along with a section-by-section analysis of H.R. 7399 and an exchange of correspondence between the committee and Mr. Halaby.

(The bill, H.R. 10471 and the documents referred to are as follows:)

[H.R. 10471, 87th Cong., 2d sess.]

A BILL To transfer certain administrative responsibility for the operation of Washington National Airport and Dulles International Airport from the Administrator of the Federal Aviation Agency to a Washington Airports Board, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Washington Airports Act of 1962".

SEC. 2. (a) There is hereby established an agency of the United States to be known as the Washington Airports Board (hereafter in this Act referred to as the "Board") which shall be composed of five members who shall be appointed by the President, by and with the advice and consent of the Senate, as soon as practicable after the date of enactment of this Act, for terms of six years each; except that, of the members first appointed under this section, one shall be appointed for a term of two years, one for a term of three years, one for a term of four years, and one for a term of five years, as designated by the President at the time of such appointment. Three of the members so appointed shall constitute a quorum. Any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. The President shall designate annually one member of the Board as chairman and one member of the Board as vice chairman. The vice chairman shall act as chairman during the absence or incapacity of the chairman. The members of the Board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. Not more than three members of the Board shall be appointed from the same political party. Each member of the Board shall receive compensation at the rate of

\$20,000 per annum, except that the member serving as chairman shall receive compensation at the rate of \$20,500 per annum.

(b) The members of the Board shall be appointed with due regard to their fitness for the efficient dispatch of the powers and duties vested in or imposed upon the Board under this Act. Each member of the Board shall be a citizen of the United States and no member of the Board shall have any stock in, or bonds of, any civil aeronautics enterprise. No member of the Board shall engage in any other business, vocation, or employment.

(c) The Board shall have control over, and responsibility for, the care, operation, maintenance, and protection of (1) the airport described in the Act entitled "An Act to provide for the administration of the Washington National Airport, and for other purposes", as amended, approved June 29, 1940 (54 Stat. 686), and (2) the airport constructed under the Act entitled "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia", as amended, approved September 7, 1950 (64 Stat. 770).

(d) The Board is authorized, subject to the civil service and classification laws, to appoint and fix the compensation of such officers and employees as may be necessary to carry out the duties vested in and imposed upon the Board under this Act.

(e) The Board is authorized to issue such regulations as it may deem necessary to enable it to carry out its duties under this Act.

(f) The Board shall make an annual report to the Congress, on or before January 15 of each year, which report shall contain detailed information with respect to the work performed by the Board during the preceding fiscal year.

SEC. 3. The Act entitled "An Act to provide for the administration of the Washington National Airport, and for other purposes", as amended, approved June 29, 1940 (54 Stat. 686), is amended as follows:

(1) In the first section of such Act, strike out subsection (a) and insert in lieu thereof the following:

"(a) 'Board' means the Washington Airports Board established by section 2 of the Washington Airports Act of 1962."

(2) In sections 2, 3, and 7 of such Act, strike out "Administrator" and "he" each place they appear in such sections and insert in lieu thereof "Board" and "it", respectively.

(3) In section 4 of such Act, strike out "Administrator" and "Federal Aviation Agency" each place they appear and insert in lieu thereof "Board".

(4) In section 6 of such Act, strike out "Administrator" and insert in lieu thereof "Board".

SEC. 4. The Act entitled "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia, as amended, approved September 7, 1950 (64 Stat. 770), is amended as follows:

(1) In the first section of such Act, strike out "the Administrator of the Federal Aviation Agency (hereinafter referred to as the 'Administrator')" and insert in lieu thereof "the Washington Airports Board (hereafter in this Act referred to as the 'Board')", established by section 2 of the Washington Airports Act of 1962."

(2) Strike out "Administrator" each place it appears in such Act (other than in the first section thereof) and insert in lieu thereof "Board".

(3) In sections 4 and 8(a) of such Act, strike out "Federal Aviation Agency" where it appears in each of such sections and insert in lieu thereof "Board".

(4) In sections 4, 5, and 9 of such Act, strike out "he" where it appears in each of such sections and insert in lieu thereof "it".

(5) In section 7 of such Act, strike out "his" and insert in lieu thereof "its".

(6) In section 11 of such Act, strike out "Civil Aeronautics Act of 1938" and insert in lieu thereof "Federal Aviation Act of 1958".

SEC. 5. (a) All orders, determinations, rules, regulations, permits, contracts, and privileges which have been issued, made, or granted by the Administrator of the Federal Aviation Agency in the exercise of duties, powers, or functions which, under this Act, are transferred to the Washington Airports Board, and which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Board, or by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending before the Administrator of the Federal Aviation Agency at the time this section takes effect, but any such proceedings shall be continued before the Washington Airports Board.

(c) No judicial proceedings lawfully commenced by or against any agency or officer of the United States, in relation to the discharge of powers, duties, or functions transferred to the Washington Airports Board under this Act, shall abate by reason of such transfer, but the court may, on motion or supplemental petition filed at any time within twelve months after such transfer takes effect, showing a necessity for a survival of such proceedings to obtain a settlement of the questions involved, allow the same to be maintained by or against the Board.

(d) The officers, employees, and property (including office equipment and official records) of the Federal Aviation Agency as the President, after consultation with the Administrator of such agency, shall determine to have been employed in the exercise and performance of those powers, duties, and functions transferred to the Washington Airports Board under this Act, shall be transferred to the Board upon such date or dates as the President shall specify. The transfer of personnel under this section shall be without reduction in classification or compensation, except that this sentence shall not prevent the adjustment of classification or compensation, after the end of the fiscal year during which such transfer is made, to conform to the duties to which such transferred personnel may be assigned. All official records transferred to the Board under this section shall be available for use by it to the same extent as if such records were originally records of the Board.

(e) Such of the unexpended balances of appropriations available for use by the Federal Aviation Agency in the exercise of those powers, duties, and functions transferred to the Washington Airports Board under this Act, shall be transferred to the Board upon such date or dates as the President shall specify, and shall be available for use by the Board in the exercise of its powers, duties, and functions under this Act.

SEC. 6. (a) The provisions of subsection (c) of section 2, of sections 3 and 4, and of subsections (a), (b), and (c) of section 5, of this Act shall become effective on the sixtieth day following the date on which the last of the five members of the Board first appointed under this Act qualifies and takes office.

(b) The remaining provisions of this Act shall become effective on the date of enactment of this Act.

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE SECRETARY,
Washington, May 2 1962.

HON. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H.R. 10471, 87th Congress, a bill to transfer certain administrative responsibility for the operation of Washington National Airport and Dulles International Airport from the Administrator of the Federal Aviation Agency to a Washington Airports Board, and for other purposes. The Secretary of Defense has delegated to the Department of the Air Force the responsibility for expressing the views of the Department of Defense.

The general purpose of H.R. 10471 is as stated in the title. Specifically, the proposed legislation would if enacted:

(a) Establish a new agency of the United States to be known as the Washington Airports Board; hereafter referred to as the "Board";

(b) Transfer to the Board the control over, and responsibility for, the care, operation, maintenance, and protection of Washington National and Dulles International Airports presently vested by law in the Federal Aviation Agency; and

(c) Amend Public Law 674 (76th Cong.) entitled "An act to provide for the administration of the Washington National Airport," and for other purposes, as amended, approved June 29, 1940 (54 Stat. 686), and Public Law 762 (81st Cong.) entitled, "An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia," as amended, approved September 7, 1950 (64 Stat. 770) by striking out the words "Administrator" and "Federal Aviation Agency" each place they appear and inserting in lieu thereof "Board".

The Board would be composed of five members appointed by the President, by and with the advice and consent of the Senate. It would have authority subject to civil service and classification laws, to appoint necessary officers and employees as may be necessary to carry out the duties vested in and imposed upon the Board. The officers, employees, and property of the Federal Aviation Agency employed in the transferred powers, duties and functions would be transferred to the Board as would related unexpended balances of appropriations. The Board would be authorized to issue such regulations as it deems necessary to carry out the provisions of the act. However, all orders, determinations, rules, regulations, permits, contracts, and privileges which have been issued, made or granted by the Administrator of the Federal Aviation Agency in his exercise of the duties, powers or functions transferred to the Board and in effect at the time of transfer, would continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Board, or by any court of competent jurisdiction, or by operation of law.

H.R. 10471 differs from H.R. 7399, 87th Congress, previously reported on by the Department of Defense. H.R. 7399 would create a National Capital Airports Corporation, to provide for the operation of the federally owned civil airports on a self-sustaining business enterprise basis. The Department of Defense supported H.R. 7399, subject to the understanding that (1) facilities now in existence which were constructed with appropriated funds and which are now occupied by the Department of Defense without charge; and (2) facilities which may hereafter be constructed at airports of the Corporation but with funds appropriated to the Department of Defense; can be occupied by the Department of Defense without payment of rental to the Corporation unless, and except to the extent that the Corporation incurs actual costs with respect to those facilities. Under the current bill, H.R. 10471, the administrative responsibility for the operation of Washington National and Dulles International Airports would be taken away from the Administrator of the Federal Aviation Agency, as provided by existing law, and given to the new and independent Board. Unlike the previous proposal, the current bill does not define the method of operation intended, but merely authorizes the Board to issue such regulations as it may deem necessary to carry out its duties under the act. Under such broad and general terms, the true financial impact of the bill on the Department of Defense cannot be accurately judged.

The better to establish and define the relationship between the proposed Board and other Government agencies, the Department of Defense recommends that the text of sections 5, 12, and 13 of H.R. 7399 be added to H.R. 10471, with the word "Board" substituted for "Corporation" or "Administrator" wherever those words appear in sections 5, 12, and 13.

Enactment of H.R. 10471 would add one more Government agency to the already large list of those concerned with civil aviation matters. Of direct interest to the Department of Defense and the Air Force, however, would be the charges which the Board, if established, might impose for the use of facilities at the two airports. The Department of Defense has negotiated several agreements with the Federal Aviation Agency covering military use of facilities at Washington National Airport. As indicated by the underlined portion in paragraph 3, above, H.R. 10471 would seemingly permit the new Board to modify or terminate any such agreement, possibly to the disadvantage of the Department of Defense. If this is not intended the bill should be modified accordingly.

Such modification could be achieved by deleting the period at the end of section 5(a), on page 6 of the bill, and adding the following: " : *Provided*, That no contract or other agreement shall be modified, terminated, superseded, set aside, or repealed by the Board in contravention of its terms without the prior written consent of all the parties thereto."

Subject to the incorporation of the proposed amendments, the Department of Defense offers no objection to the enactment of H.R. 10471 insofar as it affects the Department's operations. However, on the merits of the bill, the Department of Defense defers to the views of the other Government agencies more directly concerned with the use and operation of civil airports.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely,

JOSEPH V. CHARYK,
Under Secretary of the Air Force.

THE SECRETARY OF COMMERCE,
Washington, D.C., May 2, 1962.

HON. OREN HARRIS,
*Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This letter is in further reply to your request for views of this Department with respect to H.R. 10471, a bill to transfer certain administrative responsibility for the operation of Washington National Airport and Dulles International Airport from the Administrator of the Federal Aviation Agency to a Washington Airports Board, and for other purposes.

The bill would establish a Washington Airports Board having five members appointed by the President, by and with the advice and consent of the Senate, to assume the administrative responsibilities for Washington National Airport and Dulles International Airport which are now the responsibilities of the Administrator of the Federal Aviation Agency. The bill would make no other change in the administration of the two airports. The Department recommends against enactment of this legislation.

The bill would change the administering agency, but would not change the method of administration. In the view of this Department, the bill offers no clear advantage to the Government or to the Washington area. Since Dulles International is scheduled to open later this year, and the Federal Aviation Agency and airport users are in process of making detailed arrangements for its use, it would seem inadvisable to transfer its administration to another agency at this critical time without substantial reason.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

EDWARD GUDEMAN,
Under Secretary of Commerce.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., May 7, 1962.

HON. OREN HARRIS,
*Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice on the bill (H.R. 10471) "To transfer certain administrative responsibility for the operation of Washington National Airport and Dulles International Airport from the Administrator of the Federal Aviation Agency to a Washington Airports Board, and for other purposes."

The bill would establish as an agency of the United States a Washington Airports Board composed of five members appointed by the President, by and with the advice and consent of the Senate. The Board would have control over, and responsibility for, the care, operation, maintenance, and protection of the Washington National Airport and Dulles International Airport.

The subject of the bill is not a matter for which the Department of Justice has primary responsibility and accordingly we make no recommendation as to its enactment. However, there is a feature of the bill to which attention is invited.

In contrast to other boards and commissions having regulatory or quasi-judicial functions, the Board created by the bill would have essentially executive responsibilities and management functions. However, the bill provides that the "members of the Board may be removed by the President for inefficiency, neglect of duty, or malfeasance in office," possibly implying that they may not be removed at the President's pleasure, without cause. The cases in which the President's powers of removal have been limited have involved officials of commissions with statutory adjudicative functions, in contrast to the essentially executive responsibilities of the Board under the bill. *Wiener v. United States*, 357 U.S. 349 (1958) and *Humphrey's Executor v. United States*, 295 U.S. 602 (1935). Apart from any constitutional question which such a limitation would raise, it is our view that such a restriction on the President's power of removal is not desirable.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely yours,

NICHOLAS deB. KATZENBACH,
Deputy Attorney General.

(Additional reports have been received on H.R. 7399 which are as follows:)

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE SECRETARY,
Washington, D.C., September 14, 1962.

HON. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H.R. 7399, 87th Congress, a bill to create the National Capital Airports Corporation, to provide for the operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes. The Secretary of Defense has delegated to the Department of the Air Force the responsibility for expressing the views of the Department of Defense.

The general purpose of H.R. 7399 is as stated in the title. The bill would specifically transfer the operation of the Washington National Airport and the new Dulles International Airport, as well as any other civil airport that the Federal Government might acquire in the District of Columbia or its vicinity, to a Government corporation, which would be subject to the direction of the Administrator of the Federal Aviation Agency.

Under section 5 of H.R. 7399, the Corporation is authorized to charge Government agencies for space, facilities, and services "at rates based on the actual cost to the Corporation * * *." The Department of Defense supports this provision and, indeed, recommended its insertion in similar legislation which was introduced in the 86th Congress. The Department of Defense understands section 5 of the bill to mean that the Corporation may not impose any charge upon Government agencies for space, facilities, or services which do not involve actual cost to the Corporation.

Specifically, the Department of Defense assumes that—

(1) facilities now in existence which were constructed with appropriated funds and which are now occupied by the Department of Defense without charge; and (2) facilities which may hereafter be constructed at airports of the Corporation but with funds appropriated to the Department of Defense;

can be occupied by the Department of Defense without payment of rental to the Corporation unless, and except to the extent that, the Corporation incurs actual costs with respect to those facilities.

If the foregoing assumption is correct, the Department of Defense would have no objection to the enactment of H.R. 7399.

This report has been coordinated with the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that, from the standpoint of the administration's program there is no objection to the presentation of this report for the consideration of the committee.

Sincerely,

JOSEPH S. IMIRIE,
Assistant Secretary of the Air Force.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., May 17, 1962.

B-120047

HON. JOHN BELL WILLIAMS,
Chairman, Subcommittee on Transportation and Aeronautics, Committee on Interstate and Foreign Commerce, House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to the hearings before your subcommittee on May 2, 1962, on H.R. 7399, a bill to create a National Capital Airports Corporation. While we did not appear before your subcommittee on May 2, 1962,

to present our views on the bill, we would like to point out that we do not recommend favorable consideration of the enactment of the proposed legislation.

Our reasons for believing that the creation of the Corporation is neither necessary nor desirable for the operation of the Washington National Airport, the Dulles International Airport, and any other civil airports which the Government may acquire in the District of Columbia or its vicinity were commented on in detail in a letter dated July 17, 1961, to the chairman, Committee on Interstate and Foreign Commerce, House of Representatives, a copy of which is enclosed, and in testimony by representatives of this Office in hearings before your subcommittee on July 18, 1961.

Sincerely yours,

JOSEPH CAMPBELL,

Comptroller General of the United States.

SECTIONAL ANALYSIS OF H.R. 7399

Section 1 provides that the act may be cited as the National Capital Airports Act of 1961.

Section 2 creates the National Capital Airports Corporation subject to the direction of the Administrator of the Federal Aviation Agency. It charges the Agency with operation of the Washington National Airport and such other federally owned civil airports in the District of Columbia and vicinity as may be transferred to the Corporation.

Section 3 grants the Corporation perpetual succession subject to dissolution by Congress.

Section 4 designates the District of Columbia or vicinity as the principal office of the Corporation. Venue for civil actions is placed in each jurisdiction where offices are located.

Section 5 constitutes a declaration of policy that the Corporation shall consider it in the public interest to operate its airports on a self-sustaining business enterprise basis.

Section 6 grants to the Corporation enumerated general corporate powers.

Section 7 grants the Corporation additional powers incident to its operation of its facilities as business enterprises and as public service facilities subject to statutory procedures for the annual budget program prescribed by section 102 of the Government Corporation Control Act.

Section 8 vests management of the Corporation in a General Manager who shall be appointed by the Administrator and whose salary shall not exceed the maximum permissible under section 302(f) of the Federal Aviation Act of 1958. It also establishes five new supergrade positions. It establishes a five-member advisory board, to be appointed by the Administrator, and to be compensated, if from private life, on a per diem basis equivalent to the maximum rate of grade 18, and with reimbursement provisions for travel, subsistence and other necessary expenses.

The section requires at least one meeting each 6 months to review general Corporation policies and advise the Administrator and Manager with respect thereto.

Section 9(a) establishes a National Capital Airports Fund which shall consist of:

(1) Amounts specifically appropriated.

(2) Unexpended appropriations of the Washington National Airport.

(3) Unexpended balances of Federal Aviation Agency appropriations of any other airport under the Corporation's jurisdiction.

Section 9(b) directs the Corporation to pay annually into the Treasury interest as follows:

"(1) Interest equivalent to the local share that a project sponsor would have had to pay if the airport had been built and developed under the Federal Airport Act by a local public agency with maximum Federal grants-in-aid."

Section 9(b)(2) sets the formula for the interest rate on the fund as established.

Section 9(b)(3) sets the formula for the interest rate on subsequent capital advances to the fund.

Section 9(c) provides procedures for handling of capital excess to current needs.

Section 9(d) provides that receipts from operations shall be credited to the fund, which shall be available for all expenditures of the Corporation.

Section 8(e) authorizes appropriations without fiscal year limitations.

Section 9(f) authorizes appropriations to pay such amounts as may be shown in the annual budget to cover actual losses of prior years. This subsection also provides that amounts appropriated to the fund under this subsection shall not require interest payments.

Section 10 authorizes Corporation's use of funds from whatever sources derived in the exercise of its power, provided that no new type activity or single capital projects in excess of \$1 million not included in the annual budget be undertaken.

Section 11 requires the Corporation to contribute to the civil service retirement and disability fund and the employees' compensation fund for its employees for periods beginning with the effective date of the act.

Section 12 authorizes use of airport facilities under the jurisdiction of the Corporation by military aircraft without charge, provided that the Administrator may curtail or limit unreasonable interference with civil aircraft.

Section 13 authorizes Corporation to furnish adequate space, without charge, to Government agencies for activities in connection with airport traffic control, related communications, and weather reporting.

Section 14 prohibits use of the name of any airport operated by the Corporation without its consent.

Section 15 transfers all property of the Washington National Airport to the Corporation, together with various parcels of land. Substitutes the Corporation for the United States for outstanding liabilities and contracts in connection with the Washington National Airport. Authorizes such transfer of any airport in the District or its vicinity.

Section 16 exempts the Corporation from taxation, but authorizes payments in lieu of State and local property taxes, the payment of which shall be guided by the policy of not making payments in excess of taxes which would have been payable on the property in the condition in which it was acquired.

Section 17 vests rulemaking power in the Manager with respect to protection of property and conduction of persons on premises within the jurisdiction of the Corporation. Penalizes violation of rules by maximum \$500 fine, or 6 months' imprisonment or both.

Section 18 empowers designated employees appointed to protect life and property, to make arrests, and to carry weapons. Authorizes assignment by Secretary of Interior of Park Police for policing of airport areas by the Park Police. Provides for acceptance of collateral from violation of rules or regulations by chief law enforcement officers and directs deposit of the same with the appropriate officials.

Section 19 reserves the right to alter charter.

Section 20 contains technical amendments to existing laws affected by this legislation.

Section 21 contains a savings clause.

Section 22 provides that this act shall be effective upon enactment.

H.R. 7399—NATIONAL CAPITAL AIRPORTS CORPORATION

Listed below are brief explanations of citations to other acts, in the order of appearance, which are found in sections 6, 10, 11, 12, 15, 18, and 20 of H.R. 7399.

A. Section 6 of H.R. 7399

1. Federal Property and Administrative Services Act of 1949 (63 Stat. 377; 40 U.S.C. 471): This act governs management and disposal of Government property and, except as specifically provided in H.R. 7399, the Corporation would be governed by the provisions of the Federal Property and Administrative Services Act in disposal of property.

2. Act of August 1, 1888, as amended (25 Stat. 357; 40 U.S.C. 257): This act governs procedures for condemnation of real property for public buildings or other public uses. Corporation would be made subject to such procedures.

3. Act of June 25, 1948 (62 Stat. 869; 28 U.S.C. 1403): Grants to the Federal district courts jurisdiction over condemnation proceedings.

4. Act of February 26, 1931, as amended (46 Stat. 1421; 40 U.S.C. 258(a)): Permits the Government in condemnation proceedings to take possession of property for Government use in advance of final judgment.

5. Section 355 of the Revised Statutes, as amended (40 U.S.C. 255): This act prohibits the expenditure of public funds for the erection of public buildings, armories, customhouses, etc., without an Attorney General's written opinion as to the validity of title to the land.

6. Act of October 31, 1945 (59 Stat. 533; D.C. Code, sec. 1-101—Washington National Airport, jurisdiction): State of Virginia consents to exclusive jurisdiction in Washington National Airport to the United States subject to certain reservations.

7. Public Law 762, 81st Congress (64 Stat. 770), Second Washington Airport Act: This act authorized to construction of a second Washington airport in the vicinity of the District of Columbia.

8. Section 15 of the act of August 2, 1946 (60 Stat. 810; 5 U.S.C. 55 (a)): Authorizes the temporary employment (not to exceed 1 year) of experts and consultants without regard to civil service and classification laws of rates not to exceed \$100 per diem.

B. Section 8 of H.R. 7399

1. Section 505 of the Classification Act of 1949, as amended (63 Stat. 959; 5 U.S.C. 1111): This act establishes the basic compensation schedules, known as the General Schedule, which is divided into 18 grades of difficulty and responsibility of work.

2. Section 302(j) of the Federal Aviation Act of 1958, as amended (72 Stat. 747): This section authorizes the Administrator of the Federal Aviation Agency to place certain number of positions in grades 16, 17, and 18.

3. Travel Expense Act of 1949, as amended (63 Stat. 166; 5 U.S.C. 835): This act establishes per diem allowances for Government employees traveling on official business.

C. Section 10 of H.R. 7399

1. Section 102 of the Government Corporations Control Act of 1945, as amended (59 Stat. 598; 31 U.S.C. 847): This section requires Government corporations to prepare an annual business-type budget for submission to the Bureau of the Budget and prescribes the form, content, and manner of submission.

D. Section 11 of H.R. 7399

1. Section 4(a) of the Civil Service Retirement Act, as amended (70 Stat. 747; 5 U.S.C. 2254(a)): This section establishes the amount of contribution by employees and Government-employing agencies to the civil service retirement fund.

E. Section 12 of H.R. 7399

1. Federal Airport Act, as amended (60 Stat. 170; 40 U.S.C. 1101): This act is concerned with the execution of the Federal-aid-to-airports program and contains provisions for free use of landing and navigation facilities by Government aircraft at airports which have received Federal aid under the act.

F. Section 15 of H.R. 7399

1. Act of June 29, 1940 (54 Stat. 686; D.C. Code, sec. 7-1301): This act provides for the administration of the Washington National Airport by the Administrator of the Federal Aviation Agency and establishes the boundaries of the airport.

G. Section 18 of H.R. 7399

1. Act of March 17, 1948, as amended (62 Stat. 81): This act grants jurisdiction to the U.S. Park Police to make arrests within Federal reservations in the environs of the District of Columbia.

H. Section 20 of H.R. 7399

1. Section 101, Government Corporation Control Act, as amended (59 Stat. 597; 31 U.S.C. 846): Defines "wholly owned Government corporation" to mean the Government corporations specified in such section.

2. Act of June 29, 1940 (54 Stat. 686) (administration of Washington National Airport). (See par. F above.)

Section 2: Vests the Administrator with control over, and responsibility for the care, operation, maintenance, and protection of the airport (Washington National).

Section 3: Authorizes the Administrator to lease space or property within or upon the airport (Washington National).

Section 4: Authorizes the Administrator to establish a police force to protect the airport (Washington National).

Section 5: Provide for penalties (fine and imprisonment) for violations of rules or regulations on the airport (Washington National).

Section 6: Authorizes posting of collateral for violations.

3. Act of October 9, 1940 (provision in the Supplemental Act of 1950) (54 Stat. 1030): Authorizes the construction of five hangars at Washington National Airport. Proviso limits the length of leases for hangars to 3 years and concessions to 5 years.

4. Act of March 17, 1948 (see par. G above): The National Capital Airports Corporation Act would amend the definition of "environs of the District of Columbia" to include Loudoun County, Va.

5. Act of September 7, 1950 (Second Washington Airport Act) (64 Stat. 770) (see par. A(7) above).

6. Act of June 25, 1948 (62 Stat. 869, 984; 28 U.S.C. 507(b), 2679)—Exclusiveness of remedy: Authority to sue Federal agencies limited to remedies provided by title 28 and the Corporation Act proposal would make this provision applicable to the Corporation.

7. Section 367, Revised Statutes (5 U.S.C. 316): Authorizes the Attorney General to send the Solicitor General or other officers of the Department of Justice to any State or district in the United States to attend the interests of the United States in any suit pending before any Federal or State court.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C., August 4, 1961.

HON. NAJEEB E. HALABY,
Administrator, Federal Aviation Agency,
Washington, D.C.

DEAR MR. HALABY: During the July 19 hearings before the Subcommittee on Transportation and Aeronautics on H.R. 7399, to establish a National Capital Airports Corporation, a witness for the Air Transport Association proposed the following amendment to section 5:

"In the event of the failure of the Corporation and any airport user to agree upon the fairness or reasonableness of any rate or charge proposed hereunder, the disbursement shall be subject to arbitration pursuant to the provisions of the Federal Arbitration Act (9 U.S.C. 4)."

This amendment was opposed by the FAA witness, who said: "We looked into this at the time this was first proposed by the Air Transport Association, and do not find comparable examples of an instrumentality of the United States subjecting itself to arbitration pursuant to that act in connection with dealing with one of its customers in this corporation capacity."

"We would feel that the Congress itself would not wish this. It would be exceedingly unusual as a provision of law. We do not think it applies to any of the other 15 Government corporations in existence and feel that the committee would not wish to accept that proposal."

Attached is a copy of a memorandum furnished the subcommittee by the Air Transport Association.

Your comments on the proposed amendment in the light of comments made in the Air Transport Association memorandum would be appreciated.

Sincerely yours,

JOHN BELL WILLIAMS,
Member of Congress,
Chairman, Subcommittee on Transportation and Aeronautics.

JULY 24, 1961.

MEMORANDUM

To: J. D. Durand.

From: R. H. Doyle, legal department.

Re Government corporation subject to Federal Arbitration Act.

A question has arisen with respect to precedents for statutorily providing that disagreements between the National Capital Airports Corporation and airport users which may arise regarding the fairness or reasonableness of rates or charges be subject to arbitration under the Federal Arbitration Act. Legal

research discloses that such precedents exist. One such instance is the case of *Reconstruction Finance Corporation v. Harrison and Crosfield*, 106 F. Supp. 358, affirmed 204 F.2d 366.

There, the RFC, a wholly owned Government corporation, statutory successor or Rubber Reserve Company, another corporation wholly owned by the United States, moved to vacate a notice of arbitration served upon it by Harrison & Crosfield pursuant to a clause in a contract between the parties to the action which provided that all claims, disputes, or controversies which could not be amicably settled should be determined by arbitration. Harrison & Crosfield moved for dismissal of RFC's motion and requested, under the provisions of the Federal Arbitration Act (9 U.S.C. 4), an affirmative order directing RFC to proceed to arbitration. The U.S. District Court for the Southern District of New York dismissed RFC's petition and ordered it to arbitrate. This order was affirmed on appeal by the Second Circuit Court of Appeals. The fact that a wholly owned Government corporation was involved was not held to preclude enforcement of the arbitration clause under the Federal Arbitration Act.

Thus, the National Capital Airports Corporation, although a Government agency and instrumentality, with stock to be wholly owned by the United States, nevertheless will be a corporation limited by its charter and the general laws of corporate activity, and will be able to thus conduct itself in a manner no different in principle to that of any private corporation. It can be, as other Government corporations before it have been, required to settle disputes under the Federal Arbitration Act. In the words of Mr. Chief Justice Hughes (*Reconstruction Finance Corporation v. Menihan*, 312 U.S. 81, 83): "While it [referring to the RFC] acts as a governmental agency in performing its functions, still its transactions are akin to private enterprises and the mere fact that it is an agency of the Government does not extend to it the immunity of the sovereign."

Aside from pure legalistics, it would seem that a provision for arbitration, the purpose of which is to avoid a multiplicity of judicial proceedings, furthers the interest of the public in the orderly transaction of the Government's business and is thus praiseworthy. Certainly the mere fact that a Government-owned corporation is involved is not sufficient legal reason in itself, as has been shown, to oppose the measure.

FEDERAL AVIATION AGENCY,
Washington, D.C., August 10, 1961.

HON. JOHN BELL WILLIAMS,
Chairman, Subcommittee on Transportation and Aeronautics,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of August 4, 1961, in which you request the comments of this Agency on a proposal made by the Air Transport Association to subject the National Capital Airports Corporation to the provisions of the U.S. Arbitration Act.

At the outset, we believe it is appropriate to note that the U.S. Arbitration Act (43 Stat. 883, 9 U.S.C. 1-14), apparently has never been held to include within its scope transactions in which the United States is a party (32 Comp. Gen. 335, Jan. 27, 1953) [note special circumstances of case mentioned immediately below]. It is true, however, that submission of claims against the United States is specifically authorized under other statutes: The suits in Admiralty Act (46 U.S.C. 749); the Public Vessels Act (46 U.S.C. 786); the Contract Settlement Act (41 U.S.C. 113(e)).

We direct your attention to the case of *Reconstruction Finance Corporation v. Harrison and Crosfield*, 106 F. Supp. 358, January 30, 1952, which was cited by the Air Transport Association memorandum and which purports to be a precedent "for statutorily providing that disagreements between the National Capital Airports Corporation and airport users which may arise regarding the fairness or reasonableness of rates or charges be subject to arbitration under the Federal Arbitration Act." It does not provide any such precedent. That case involved an action on a Government contract containing an arbitration clause and was brought pursuant to the terms of the contract. It stands for the principle that a Government corporation may subject itself to the settlement of claims against it by arbitration if it contracts to do so. You will note that the Air Transport Association amendment is concerned with rate arbitration, which is unprecedented. It further provides no statutory precedent for Government corpora-

tions generally to be subjected to the provisions of the U.S. Arbitration Act in instances wherein they do not contract to be so bound.

We next direct your attention to the case of *Reconstruction Finance Corporation v. Menihan*, 312 U.S. 8183, February 3, 1941, which case was also cited in the Air Transport Association memorandum. Again, this case does not stand for the proposition that Government corporations by their status per se are required to settle disputes under the U.S. Arbitration Act as the memorandum suggests. This case is irrelevant to the instant question. It supports the proposition that the mere fact that the Reconstruction Finance Corporation is a Government agency does not extend to it the immunity of the United States for liability for costs when it is an unsuccessful litigant.

Since there appears to be no statutory precedent for subjecting Government corporations to the U.S. Arbitration Act, and since we know of no instance in which the enabling acts of existing Government corporations contain such a provision nor is the same applicable to airport authorities, it seems unwarranted and not in the interest of Government operations to create a precedent in the case of this Agency. Accordingly, the policy of this Agency is opposition to such a proposal.

May we remind the committee that section 8(c) of H.R. 7399, 87th Congress, would establish a five member Advisory Board, of which at least three members shall be appointed from private life, and at least one of such shall have air carrier operations experience. This Board shall meet at least every 6 months and shall review rates and charges, and shall advise the Administrator and the Manager with respect thereto. With the Advisory Board acting in this capacity with respect to rates and charges, it is unreasonable to contemplate that excessive rates and charges would be imposed.

Sincerely,

JAMES T. PYLE,
Deputy Administrator.

AUGUST 4, 1961.

HON. NAJEEB E. HALABY,
*Administrator, Federal Aviation Agency,
Washington, D.C.*

DEAR MR. HALABY: On the attached three sheets will be found questions growing out of the July 19 hearings on the National Capital Corporation bill. Your comments on these questions will be appreciated.

Sincerely yours,

JOHN BELL WILLIAMS,
Chairman, Subcommittee on Transportation and Aeronautics.

[Sheet 1]

On the basis of statements made in the July 19 hearing (transcript pp. 99, 100, and 101) would it be fair to say the FAA would have no objection to the proposed amendment to section 5 if subsection (3) (c) of the ATA proposal is deleted? This reads:

"(3) (c) Capacity in excess of current use of the airport;"
And also delete subsection (5) relating to arbitration.

[Sheet 2]

ATA suggested adding this sentence at end of subsection on page 11, line 25: "Such local share shall be computed on the depreciated cost of the airport as of the year in which the interest payment is made."

FAA statement on page 110 of transcript indicates this is acceptable.

[Sheet 3]

At page 10, line 22, the ATA suggested the following amendment:

Strike out "fund" and insert "fund, excluding that portion of the capital of the fund assignable to any airport under the jurisdiction of the Corporation with respect to which the revenues produced from the operation of the airport do not exceed the cost of operation and maintenance thereof."

The FAA statement does not explain why this amendment would not eliminate useless bookkeeping, as claimed by the ATA.

AUGUST 4, 1961.

HON. NAJEEB E. HALABY,
*Federal Aviation Agency,
Washington, D.C.*

DEAR MR. HALABY: Since much of the disagreement between the Air Transport Association and the Federal Aviation Agency in the July 19 hearings on the National Capital Airports Corporation bill seemed to turn on the plan to transfer the access road to the National Park Service to be operated as a toll-free public highway, could the disagreement be resolved by amendments making the FAA position clear?

The suggested amendments will be found on the attached sheets.

Your comments will be appreciated.

Sincerely yours,

JOHN BELL WILLIAMS,
*Member of Congress,
Chairman, Subcommittee on Transportation and Aeronautics.*

[Sheet 1]

On page 5, line 6, strike out "charge" and insert "impose fair and reasonable charges for the use of the foregoing: *Provided, however,* That the aeronautical uses of an airport operated by the Corporation shall not be charged for access roads not located on the airport:"

Page 5, line 7, strike out section 7 and renumber subsequent subsections accordingly.

Page 10, line 3, amend section 9(a)(4) by adding at the end thereof the following: "Any access road not within the boundary of the airport shall not be considered as an asset of the airport. That portion of the fund which is equivalent to the Federal share that would have been supplied by the Federal Government had the airports been built and developed in their entirety subsequent to the enactment of the Federal Airport Act and under its provisions by a local public agency with maximum Federal grants-in-aid shall not be subject to amortization and shall not be amortized by the Corporation."

[Sheet 2]

Page 7, after line 9, insert a new section 7, as follows, renumbering remaining sections of the bill accordingly:

"SEC. 7. There is hereby transferred to the National Park Service, Department of the Interior, all of the right, title, and interest of the Federal Aviation Agency in and to the access road to the additional Washington airport authorized by Public Law 762, Eighty-first Congress (64 Stat. 770), which transfer the said National Park Service is hereby authorized to accept. The National Park Service is hereby authorized to provide for the operation and maintenance of such road under such regulations as it may prescribe: *Provided, however,* That no tolls or charges may be imposed for the use of such road."

FEDERAL AVIATION AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., August 10, 1961.

HON. JOHN BELL WILLIAMS,
*Chairman, Subcommittee on Transportation and Aeronautics,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: There are enclosed our comments on a series of suggested amendments to H.R. 7399 transmitted by your letters of August 4, 1961. As a part of these comments we have included a proposed amendment to section 5 which we believe will further clarify the intent of the legislation with respect to defining ratemaking principles to establish a comparable situation between the National Capital airports and other airports receiving grants under the Federal-aid airport program.

We will be pleased to furnish any additional information that you may require in this matter.

Sincerely,

JAMES T. PYLE,
(For N. E. Halaby, Administrator.)

COMMENTS ON SUGGESTED AMENDMENTS TO H.R. 7399¹*Suggested amendments to section 5*

On the basis of statements made in the July 19 hearing (transcript, pp. 99, 100, and 101) would it be fair to say the FAA would have no objection to the proposed amendment to section 5 if subsection (3)(c) of the ATA proposal is deleted? This reads:

"(3)(c) Capacity in excess of current use of the airport;"
And also delete subsection (5) relating to arbitration.

Comment

Section 5 of the bill as rewritten in the ATA proposed amendment would not be acceptable to FAA even with the deletion of the proposed subsections (3)(c) and (5).

The proposed subsection (1) is not acceptable since it would go beyond the establishment of landing fees and other charges to airlines which we believe is the intent of the ATA proposal.

In many instances it will be in the best interests of the Government to have one concessionaire for both airports under a single schedule of payments to the Government either in the form of a minimum guarantee or percentage of gross business. Examples of these concessionaires are ground transportation, rent-a-car, and flight insurance. We believe the "sound commercial practice" provision of the existing section 5 together with a "fair and reasonable" provision which we would not object to provide necessary guidance to meet the ATA objective.

Subsection (2): A "fair and reasonable" provision is acceptable if the phrase "shall not exceed" is replaced by a phrase such as "shall give due regard to." The corporation's objective is to make rates comparable in principle to those at comparable airports rather than comparable in price. Actual rates may need to vary due to varying construction costs and maintenance costs arising from such things as heating and air-conditioning needs, labor rates, and the period when facilities were constructed.

Subsection (3) is not acceptable as a substitute for the present language in section 5. The self-sustaining principle is stated in the present bill. The restriction on our current expenditures not exceeding current revenues is not realistic since it is clear that in the initial developmental year of operations at the new International Airport the corporation's expenditures will exceed its revenues.

Subsection (3)(a) is acceptable in principle but is an unnecessary addition to section 5 since subsection 9(4) of the present bill states that "the value of the assets [of the corporation] shall be determined * * * taking into consideration * * * [their] usable value to the airport if clearly less than cost * * *." [Italic supplied.] Furthermore, section 9(4) provides that the determination of the value of assets shall be made only after notice to and opportunity for comment from the aeronautical users and other tenants of the airport.

Subsection 3(b) would not be needed in view of the following amendment which we suggest for insertion in the bill. The amendment also reflects our proposed alternative to adoption of the amendment to section 9(a)(4) which was submitted for our comments.

On page 2, line 19, delete the words "costs and interest on the Government's investment," and insert in lieu thereof "operating costs as well as depreciation and interest on that portion of the Government's investment that would have been supplied by the project sponsor had the airports been built in their entirety by a local public agency subsequent to the enactment of the Federal Airport Act and with maximum Federal grants-in-aid, applying the principles followed in programing funds under the Federal Airport Act during the period of construction of airports under the jurisdiction of the Corporation."

Subsection (4) is an unnecessary repetition of the Administrator's responsibilities but we would not object to its restatement in this bill.

SUGGESTED AMENDMENTS DEALING WITH PAYMENT OF INTEREST

Suggested amendment

ATA suggested adding this sentence at end of subsection on page 11, line 5: "Such local share shall be computed on the depreciated cost of the airport as of the year in which the interest payment is made."

FAA statement on page 110 of transcript indicates this is acceptable.

¹ See letters of Aug. 4, 1961.

Comment

This suggested amendment is not acceptable to the Agency. The testimony referred to on page 110 of the transcript was not intended to indicate acceptance of the amendment as it was presented. Rather, the testimony was intended to point out that the bill provided a mechanism for reducing interest payments on what is believed to be a more desirable principle than that suggested by the above amendment and one that would more fully protect the investment of the Federal Government.

The suggested amendment would eliminate the value of the annual depreciation from the interest-bearing investment each year whether or not the payments were made to the Treasury. As our testimony pointed out, under the provisions of the bill, payments from the Corporation fund to the Treasury will reduce interest payments by reducing the Federal investment in the Corporation. This will occur as soon as Corporation receipts reach the point of exceeding expenditure requirements. This condition is anticipated within 3 to 4 years after the opening of the International Airport. It is the Agency's intention at that time to reduce advances to the Corporation fund except for a reasonable level of working capital, and thus reduce the interest-bearing investment of the Government on an orderly and businesslike basis. We do not believe that the suggested amendment is in accordance with these principles.

Suggested amendment

At page 10, line 22, the ATA suggested the following amendment:

Strike out "fund" and insert "fund, excluding that portion of the capital of the fund assignable to any airport under the jurisdiction of the Corporation with respect to which the revenues produced from the operation of the airport do not exceed the cost of operation and maintenance thereof."

The FAA statement does not explain why this amendment would not eliminate useless bookkeeping, as claimed by the ATA.

Comment

This suggested amendment would automatically waive interest payments for the capital value of an airport not operating at a profit in any given year. The ATA has described the appropriation of funds for payment of interest to the Treasury as a "useless transaction." H.R. 7399, in subsection 9(b), provides for the Congress to waive appropriations for interest as well as for the accrual of interest at any time it so desires. We believe this is preferable to an automatic waiver as contemplated by this amendment. A more important objection to this amendment, however, is its relation to that period of the Corporation's operations when receipts would cover interest payments even though they may not completely cover all costs of operation and maintenance, including depreciation. Further, during a period when it is anticipated that the Corporation's revenues will exceed its expenditure requirements, one airport may still be accruing an operational loss. As we interpret the suggested amendment, interest payments would be excluded for that airport regardless of the total cash position of the Corporation. For several years we anticipate that the total Corporation position will be solvent on an expenditure basis even though the new International Airport will be operating on a deficit basis. The suggested amendment would preclude payment of interest on the International Airport investment during this entire period even though our projections would indicate the total cash position of the Corporation would enable it to meet interest payments for both airports. We do not believe that this would represent either sound business principles or a proper protection of the Government's interest.

SUGGESTED AMENDMENTS CONCERNING TRANSFER OF THE ACCESS ROAD

Current status of negotiations

Just prior to appealing before the Subcommittee on Transportation and Aeronautics, the Federal Aviation Agency reached agreement in principle with the Secretary of the Interior concerning transfer of the access road to the National Park Service. This transfer would remove the road from the assets of the National Capital Airports Corporation and would eliminate a significant investment from the books of the Corporation. While we apparently left the subcommittee with the understanding that all aspects of the transfer arrangements had been determined and agreed upon, there is still much to be done in this regard concerning the conditions and timing of such a transfer. In addition, it appears desirable that some parts of the road not having limited access

features and not being constructed fully to parkway standards might better be transferred to the State of Virginia.

It is in the light of these conditions that our comments on three amendments suggested for solution of the access road problem are phrased:

Suggested amendment

On page 5, line 6, strike out "charge" and insert "impose fair and reasonable charges for the use of the foregoing: *Provided, however,* That the aeronautical uses of an airport operated by the Corporation shall not be charged for access roads not located on the airport."

Page 5, line 7, strike out section 7 and renumber subsequent subsections accordingly.

Comment

We do not believe that the amendment is necessary to the solution of the problem concerning the access road to the International Airport. The Agency is on record as favoring the transfer and as indicated above, the Department of Interior has accepted this in principle subject to our meeting acceptable standards of constructing the road which we are prepared to do. Subsection 6(7) of H.R. 7399 provides full authority to make the transfer. In addition, the amendment as written above would eliminate all other access roads both for the International Airport and the Washington National Airport not on the airport proper. This is not a desirable feature since access roads under normal circumstances are regarded as a necessary airport improvement even to the extent of participation in the Federal-aid airport program for roads owned by an airport from it to the nearest highway. For these reasons we would oppose this amendment.

Suggested amendment

Page 7, after line 9, insert a new section 7, as follows, renumbering remaining sections of the bill accordingly:

"Sec. 7. There is hereby transferred to the National Park Service, Department of the Interior, all of the right, title, and interest of the Federal Aviation Agency in and to the access road to the additional Washington Airport authorized by Public Law 762, Eighty-first Congress (64 Stat. 770), which transfer the said National Park Service is hereby authorized to accept. The National Park Service is hereby authorized to provide for the operation and maintenance of such road under such regulations as it may prescribe: *Provided, however,* That no tolls or charges may be imposed for the use of such road."

Comment

The Agency cannot agree to this amendment. The present subsection 6(7) is adequate to accomplish the transfer of the access road. Further, the proposed amendment would transfer the entire road to the National Park Service and as indicated above it may be desirable to negotiate a transfer of portions of the road to the State of Virginia. Because of the present state of negotiations, as previously discussed, the Agency would prefer the flexibility as to whom the road is transferred and the time at which it is transferred as contained in subsection 6(7) of H.R. 7399 to the conditions contained in the provisions of the suggested new section 7.

Suggested amendment

Page 10, line 3, amend section 9(a)(4) by adding at the end thereof the following: "Any access road not within the boundary of the airport shall not be considered as an asset to the airport. That portion of the fund which is equivalent to the Federal share that would have been supplied by the Federal Government had the airports been built and developed in their entirety subsequent to the enactment of the Federal Airport Act and under its provisions by a local public agency with maximum Federal grants-in-aid shall not be subject to amortization and shall not be amortized by the corporation."

Comment

The first sentence of this amendment is objected to for the same reasons previously mentioned for a similar provisions on the access road. The second sentence will be unnecessary if the subcommittee accepts a proposed amendment to section 5 contained elsewhere in these comments. Therefore, we do not believe this particular amendment is either necessary or desirable.

NATIONAL CAPITAL AIRPORTS

FEDERAL AVIATION AGENCY
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., May 8, 1962

HON. JOHN BELL WILLIAMS,
*Chairman, Subcommittee on Transportation and Aeronautics,
House of Representatives,
Washington, D.C.*

DEAR MR. CHAIRMAN: I refer to your letter of May 3, 1962, requesting my views on the amendment to H.R. 7399, proposed by Mr. Broyhill in testimony before your committee on May 2.

Mr. Broyhill would amend section 6(7) of that act by adding the following: "No term or condition of any such transfer, and no regulation governing the operation and maintenance of the access road so transferred, shall prevent the future construction of additional highway lanes parallel to such access road, on land included within the right-of-way acquired for such access road, to meet local traffic needs."

While there does not appear to be anything objectionable to this Agency in Mr. Broyhill's amendment, the brief time available to us has prevented coordination of this view within the executive branch.

Sincerely,

N. E. HALABY, *Administrator.*

FEDERAL AVIATION AGENCY,
Washington, D.C., May 8 1962.

HON. JOHN BELL WILLIAMS,
*Chairman, Subcommittee on Transportation and Aeronautics,
House of Representatives,
Washington, D.C.*

DEAR MR. WILLIAMS: Due to Mr. Halaby's absence, I am furnishing the information you requested in your letter of May 3, 1962, regarding certain operations at Washington National Airport. The ground transportation contract for Washington National Airport and Dulles International Airport expires 5 years after the opening date of Dulles. This contract was awarded on the basis of competitive bidding and we anticipate that the same procedure will be followed when the present contract expires.

With respect to your other questions about concession policy, we are currently authorized to consummate concession agreements through the solicitation of formal bids, publicly solicited invitations for proposals, negotiation with prospective concessionaires, or any appropriate combination of these methods.

Most concessionaire leases are the result of written proposals or negotiated agreements. It is the general policy that such negotiation is preceded by solicitation of proposals from a representative number of those capable of performing the service. This concession policy has been successfully followed at Washington National Airport and should be continued at Dulles International Airport.

Many contracts are designed primarily to furnish a required service to the passengers and other users of the airports. Prompt, efficient, and quality operations and reasonable rates are important considerations in these agreements.

Concessions provide a valuable source of income to an airport. They serve dual purpose of providing a product or service desired by the passengers, employees, and visitors, in addition to such revenue.

A flexible policy has been followed in awarding concession contracts. The aim has been to make the best possible business arrangements, keeping in mind the need of the airport for revenue, and the interests of the public using the airport. Thus, concession contracts have not always been awarded solely in terms of receiving the highest monetary return. In addition, the airport has endeavored to obtain reasonable concessionaires who would furnish good service at fair prices to the public.

Aviation fuel for the airlines is neither bought nor sold on the Washington National Airport. Each carrier purchases the fuel off the airport from the supplier of his choice. Many of these airlines have systemwide contracts. The fuel storage and distribution is leased under an agreement between the airlines, a servicing agent, and the Government.

Airline fuel-servicing normally is not considered a concession and its handling varies considerably from airport to airport. The charge, of course, varies greatly depending on whether the airline or the airport furnishes the facilities and the size and cost of such facilities.



At Washington National Airport revenue from the fueling system is considered as a part of the total landing area revenue, and is based generally on cost recovery under the overall non-profitmaking concept of the landing area.

Available information for Newark, O'Hare, and Los Angeles would indicate that these airports also do not consider their air carrier fueling facilities as a profitmaking enterprise but as a cost recovery.

Sincerely,

G. WARD HOBBS, *Director,*
Bureau of National Capital Airports.

Mr. WILLIAMS. I have a letter also for insertion in the record from Senator Beall of Maryland.

(The letter referred to follows:)

U.S. SENATE,
COMMITTEE ON THE DISTRICT OF COLUMBIA,
April 27, 1962.

HON. JOHN BELL WILLIAMS,
Chairman, Transportation and Aeronautics Subcommittee, Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I regret that my schedule prevents me from appearing personally before your subcommittee with respect to legislation to create a separate airport board to operate Washington National and Dulles International Airports. I do, however, want to express my full support of H.R. 10471, one of the subject bills pending before your subcommittee. As the sponsor of S. 2969 which is identical to H.R. 10471, I am indeed pleased that you have scheduled hearings on this subject.

H.R. 10471 would transfer the responsibility for the operation of Washington National Airport and Dulles International Airport from the Federal Aviation Agency to a Washington Airports Board. This bill would thus remove the Federal Aviation Agency from its dual role as both operator and regulator of the Washington airports. The establishment of a Washington Airports Board is essential if we are to guarantee a free competitive atmosphere for all of the airports in the area.

Earlier this year, officials of the Federal Aviation Agency and the Civil Aeronautics Board announced that upon completion of Dulles International Airport, all jet service for Washington would be diverted from Friendship International Airport to Dulles. Since 1959, Friendship has served Washington area jet traffic efficiently and effectively. Yet this traffic is now to be diverted by Federal edict, for no reason other than that Dulles is to be considered the airport of the Nation's Capital. So long as Dulles and Washington National are administered by the Federal Aviation Agency, service to area residents and preference of the airlines will no longer be factors in determining the development of commercial aviation in the metropolitan area.

At present, Friendship offers more convenient service to resident of Montgomery and Prince Georges County as well as those people living in the western half of the District of Columbia. These people deserve the right to choose the airport facility which best serves their needs. I do not suggest that Friendship be given a preference. At the same time, I cannot condone preferential treatment for Dulles.

The establishment of a Washington Airports Board, independent of the Federal Aviation Agency, will insure equitable treatment for all airports serving the Nation's capital.

I urge your favorable consideration of H.R. 10471 and would appreciate it if you would make this letter a part of the record.

Sincerely yours,

J. GLENN BEALL.

Mr. WILLIAMS. Our first witness this morning will be our colleague from Virginia, Congressman Broyhill.

STATEMENT OF HON. JOEL T. BROYHILL, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF VIRGINIA

Mr. BROYHILL. Thank you, Mr. Chairman, for this privilege of testifying before the committee.

I have a prepared statement and I realize that the committee has several witnesses to hear this morning. So if it is all right with the committee, I should like to submit these statements for the record and just touch briefly—

Mr. WILLIAMS. It will be received.

Mr. BROYHILL (continuing). On the part of the legislation in which I am interested.

I might say in general, Mr. Chairman, that I have no objection to the main objective and purpose of the legislation. In fact, I think that there might be some very substantial benefits in establishing a Federal Corporation to manage and operate the Washington National Airport and the Chantilly Airport.

Incidentally, I say Chantilly Airport rather purposely because I had proposed originally that we name that airport the Chantilly International Airport and we had legislation pending before this committee, and the previous administration asked us to hold up that legislation for further consideration and in the meantime by administrative or executive action they named it the Dulles Airport, and as far as I am concerned, it will always be known as the Chantilly Airport.

I hope that something can be done to officially name it the Chantilly or Washington International Airport, Chantilly, Va., because the people in that area would like to have some national as well as international recognition of their particular area.

Mr. Chairman, the primary thing that I am concerned about in this legislation is on page 5, section 7, beginning at line 7 concerning the transfer of the access road running from the International Airport to the circumferential highway. In the original authorizing legislation, Public Law 762, 81st Congress, it provided therein to transfer the access road when completed to the District government if the airport were located in the District of Columbia or to the State government if it were located outside of the District of Columbia.

The access road lies entirely within my congressional district, entirely within Fairfax County, and while we recognize that the access road was necessary in order to make proper access from Washington to the airport which is around 30 miles from the District of Columbia, we also must recognize that it imposed quite a hardship on the people in the area because it did split the community in half. It did cause the confiscation of a lot of properties. It split farms in half, neighborhoods in half, ran through people's backyards. So it was quite a hardship and quite an imposition.

But yet we recognized in the community that the access road was necessary if the airport itself was going to function to its full use. We felt, however, that in a spirit of cooperation between the Federal Aviation Administration and the community, particularly in view of

the fact that the construction of the airport would cause quite an impact on the community, because of a great deal of additional growth in a community that was already suffering the hardship of abnormal growth, we felt that there should be something worked out for joint use of that access road, but the Federal Aviation Agency did not agree. They felt it had to be limited access and it was so constructed to prevent any commuter traffic from using it whatsoever. The only way of getting on the access road is in a one-way direction headed toward the airport or to get off the access road if you are coming from the airport.

There is no way in which commuter traffic can use that access road to go to and from Washington unless they go out to the airport and start from there.

However, the previous Administrator of the Federal Aviation Agency recognized that there was a problem involved there, that there was justification for some cooperation between the Federal Agency and the local community, and so in acquiring the right-of-way for the access road, they purposely acquired an additional amount, a 400-foot right-of-way. In fact, in the testimony before the Senate Appropriations Committee, General Quesada, the former Administrator of the Federal Aviation Agency, said in conclusion in talking about this access road right-of-way, referring to the fact that it had to be a limited-access road:

This policy is essential to prevent the access road from becoming saturated with traffic between local communities and the District of Columbia, a condition which would defeat the purpose of providing such a highway wholly at Federal expense. Sufficient land is being acquired to permit the future construction of additional lanes parallel to the airport access road.

Now several communities out there, several community groups, have been asking for interchanges so that commuters could use the access road, and the Federal Aviation Agency, in refusing their request, pointed out that they would be providing the additional right-of-way so that when the additional impact was suffered by the community, the State highway department or any local highway agency could use that right-of-way to build additional commuter roadways in order to absorb the saturation. So that was understood to be an agreement between the communities and the Federal Aviation Agency. Although it wasn't in any bound contract, it was understood to be a compromise wherein the Federal Government—recognizing that a problem was being created there in the communities—that they would provide some help in relieving the communities from that problem by providing additional right-of-way than what would otherwise have been necessary.

Last summer, in our continuing efforts to get interchanges provided, Senator Humphrey, of Minnesota, came into the picture. He communicated with Mr. Halaby, the present Administrator, and in the reply to Senator Humphrey's request to provide a full and complete interchange at Herndon so the people in the town of Herndon could use the access road for commuting, Mr. Halaby turned down that request and stated the same reasons in general that his predecessor

had stated, that it was to be a limited-access road wholly for the use of the airport. He said in part:

If there is a way to assure fast, safe travel between the city and airport, and at the same time make it useful to residents and future residents of the area, I would be happy to consider it.

And then he said further:

It was with this concept in mind that we acquired enough right-of-way originally to permit construction of a local traffic roadway in addition to the airport express highway. It may be possible for FAA to make this land available to the State of Virginia so the State could meet the local traffic needs of its citizens in the area. This would require further planning and construction for which the FAA has no money, but I can assure you we would cooperate to the fullest extent in exploring this possibility.

Now, the objection we have to this legislation is that it authorizes the transfer of the access road and its right-of-way to another Federal agency. That is the result of the amendment to the original act.

Now, on the surface there is no real objection to that except it has been announced that it is proposed to transfer this right-of-way, if this legislation is enacted as written, to the Department of the Interior in order for the access road to be maintained and operated by the National Park Service.

The National Park Service is a very fine organization. They do a splendid job in preserving our parks and parkways throughout the Nation. Mr. Conrad Wirth, the Director of the National Park Service, is a very capable and well-qualified man. But they are primarily interested, Mr. Chairman, in preserving the beauty and esthetics of parkways. They are not interested in moving commuter traffic.

Now, Mr. Chairman, you have been a member of the House Committee on the District of Columbia and we had a problem with the location of the Theodore Roosevelt Bridge. The Park Service continually objected to what actually would be the construction of that bridge. They didn't want the beauty or the esthetics of the Memorial area marred. We were several years delayed in commencing construction of that bridge because they wanted a tunnel constructed under the river at that point.

We have many, many examples of how highway and roadway construction has been delayed here by the Park Service because they are not interested in serving commuters in this area or moving traffic. They are merely interested in, as I said before, the beauty of the area and scenic highways.

We are having a problem right now on the proposed construction of the Three Sisters Bridge which would connect the George Washington Memorial Parkway. This highway goes up to the Central Intelligence Agency in Langley, and incidentally, it is going to be one of the main routes to this airport for the next few years because Route 66 which connects with this access road will not be completed for several years.

Now, that road was constructed primarily to move traffic up to the CIA Building and yet the Park Service which has jurisdiction over that roadway prohibits any connection of the Three Sisters Bridge to that parkway because they do not want additional roadways con-

structed. They do not intend to have any further construction on that right-of-way. They want to preserve it for the scenic beauty.

I think that is incompatible with the reason this access road was originally authorized and constructed. It is there primarily for movement of traffic. That additional access right-of-way was acquired solely for the purpose of future construction for traffic as the growth of the area required additional traffic facilities.

So if the committee or the Congress approves this legislation authorizing the transfer of this airport access road, I plead with the committee to put some restriction, some language in there that will protect the communities and provide for future construction of additional traffic facilities on that right-of-way. It would not injure the flow of traffic whatsoever between Washington and the airport. On the contrary, as the community grows and that access road becomes saturated, you will find commuters driving out to the airport in order to get on the access road.

I think it would be in the interests of the Federal Government as well as fulfilling their moral obligation and commitment to the communities to assure when this property is transferred, whenever the State of Virginia will come in there and use or be willing to use that additional right-of-way to construct additional roadway, that the property will be made available.

I have an amendment here that will pretty much do that. I am not trying to dictate or insist on any particular language, but the language I have proposed I wish the committee to consider adding at the end of that paragraph I have been discussing and would include the following:

No term or condition of any such transfer, and no regulation governing the operation and maintenance of the access road so transferred, shall prevent the future construction of additional highway lanes parallel to such access road, on land included within the right-of-way acquired for such access road, to meet local traffic needs.

Now, in fact, this amendment does exactly what it says. The Park Service or any other Federal agency that takes over that access road would clearly be on notice that whenever a State agency needs that additional right-of-way, that additional vacant land to construct traffic facilities for local needs, it would be made available to them. That is what I am asking of the committee, Mr. Chairman, just the protection for the community and a way in which the Federal Government can be required to live up to its agreement and its commitment heretofore made with the community.

Mr. WILLIAMS. Do I understand, Mr. Broyhill, that you are not objecting to the limited access high-speed thruway that the Federal Aviation Agency is building between Washington and Chantilly which permits automobiles or traffic to get on this roadway going west, but requires that before they get off it they have to go all the way to the airport and you can't get on it coming back to Washington? You are not objecting to that, as I understand—

Mr. BROYHILL. Well, I am objecting, Mr. Chairman—

Mr. WILLIAMS. Excepting conditionally on the proposition that some of this right-of-way would be made available to the State of Virginia to build roads to serve their local traffic or their commuter traffic?

Mr. BROYHILL. Well, that is essentially correct, Mr. Chairman. I have protested the prohibition of the use and yet we recognize that we were unable to get commuter use of the access road and recognize that the FAA had some good reasons for prohibiting the use of the access roads for commuter traffic. And we took that right-of-way as merely a compromise between what we had asked for and getting nothing at all. If this access is transferred to the Park Service, it will result in our getting nothing at all.

Mr. WILLIAMS. I see what you mean.

Mr. Friedel?

Mr. FRIEDEL. Mr. Chairman, I can understand what Mr. Broyhill is trying to do but I am really surprised that in the statement you just made you say it will have quite an impact on the people in the communities near the Dulles Airport. You must have known that when you fought so hard for getting Chantilly Airport out there. Why didn't you take that into consideration then?

Mr. BROYHILL. Mr. Friedel, that is a very good question, and if I can refresh your memory just a little bit here, you may recall that the gentleman from Maryland and the gentleman from Virginia were on the same side for a while because they had proposed that this airport be constructed out at Burke, Va.

Mr. FRIEDEL. I was never for Burke, either.

Mr. BROYHILL. I wasn't, either, and I opposed it at Burke because of the impact on the communities, the harassment, nuisance, noise, and I would have much preferred to see the airport located not in Virginia but rather that Friendship be used. The location at Chantilly was a compromise in order to have as little impact as possible on the communities.

Mr. FRIEDEL. Compromise with whom?

Mr. BROYHILL. I would say possibly with the communities and with the FAA officials. I think they recognized themselves in due course that Burke itself was not the proper location for the airport.

May I say I didn't ask for the airport. The airport was put out there not because the people in Virginia asked for it but because the Congress asked for it and people in the Nation's capital asked for it, and it was built there solely for the convenience of the Federal Government and people in Washington, not for the people in Virginia, and I would not have been disappointed if the airport had not been located in Virginia to start with.

Mr. FRIEDEL. How far is it from Washington?

Mr. BROYHILL. Approximately 30 miles.

Mr. FRIEDEL. How far is Friendship from Washington? Do you know the distance of Friendship from Washington?

Mr. BROYHILL. The gentleman knows. I don't know.

Mr. FRIEDEL. About 31 miles; 31 or 32.

I argued on the floor against the bill for Chantilly, Burke, and any other airport because it was wasting money. I think at that time they asked for \$14 million and right now they have spent over \$105 million, not counting the access road, not counting the sewerage. It is a white elephant and should never have been built, and I am not in accord with it in any way, shape, or form. So you fought for it, you voted for it, I voted against it. You knew that there would be problems there because when we are building an airport, there is going to be noise, they

are going to have to have highspeed roads, etc. I think if you go back to your letters where General Quesada and even Mr. Halaby of the FAA said that they needed this high-speed road, but they cannot let these people use it for local communities. If they are willing to build another road and give you the land, Virginia ought to take some responsibility and not put it all on the Government because Maryland, as well as the other 49 States, is contributing their share in paying for this white elephant and it is going to be probably \$200 million before it is completed.

Mr. BROYHILL. If I may add, Mr. Chairman, to the statement of Mr. Friedel, if I understood your statement correctly, that is the point I am trying to make, that we recognize that we cannot get use of the access road for our communities. We are merely trying to assure that we can use the additional right-of-way to build our own roadways in the future to take care of future growth.

And I might, at the risk of being too repetitious, say again to the gentleman that when this was originally proposed, I did not ask for the airport nor did the people in Virginia ask for the airport. It was put over there against the wishes, against the request of the people of Virginia for the convenience of the Federal Government, but yet once it was there, we realized we had to live with it and we had to make the best of it, and that is what we are trying to do here this morning. I hope it will be beneficial for the communities and it probably will be in the long run.

Mr. FRIEDEL. I have a lot more questions but I won't ask them now.

Mr. Devine?

Mr. DEVINE. Mr. Chairman, I think we are kind of begging the question now as to whether this is a white elephant. I know my colleague from Maryland has consistently promoted Friendship Airport and I can understand that. It is in the area which he represents. Chantilly is here. We have expended or are about to expend \$100 million. The structure right outside the window is another \$100 million expenditure authorized in 1955 which has been subject to a great deal of question, but our only issue here today is in connection with the access road and whether or not the people in the surrounding communities should have access or have a parallel road. Is that not right?

Mr. BROYHILL. Mr. Devine, I might say, just using the additional right-of-way for construction of a new road. I am not optimistic enough to think I could get the committee to force the FAA to let us use the access road itself. I am not asking for that this morning. I would like to have it but I merely want the additional right-of-way to be used in the future for construction of additional roadways when needed. That is all I am asking.

Mr. DEVINE. Do you have any estimate or any figures whatsoever relative to the increase in population, what the total impact will be in the Chantilly area as a result of the facility that is now established there?

Mr. BROYHILL. No, I do not. The area was growing even before the airport got there.

Mr. DEVINE. You would agree that most of the impact on the facility itself can be handled by the limited access road that is under construction now.

Mr. BROYHILL. That is correct.

Mr. DEVINE. All right. Now, the people that live in Chantilly and surrounding areas have had ingress and egress to the District by other means.

Mr. BROYHILL. That is correct.

Mr. DEVINE. That hasn't changed; has it?

Mr. BROYHILL. No.

Mr. DEVINE. Other than the fact that this may have provided some of the communities.

Mr. BROYHILL. That is correct.

Mr. DEVINE. I believe that is all.

Mr. WILLIAMS. Thank you, Mr. Broyhill.

(The prepared statement of Mr. Broyhill is as follows:)

STATEMENT OF HON. JOEL T. BROYHILL, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF VIRGINIA

First, Mr. Chairman, I wish to thank you for your consideration and thoughtfulness in giving me the opportunity to testify on H.R. 7399, and tell you of the views of residents of the affected area.

As you know, Mr. Chairman, the Dulles International Airport and the so-called access road connecting it with Washington, D.C., lie entirely within Virginia's 10th Congressional District which I have the honor of representing in the House. It is the access road with which we now are particularly concerned.

Briefly, the access road was intended to be a high-speed route for motor vehicles traveling between Washington and the airport. When the idea of such a road was first being discussed, residents of the area through which it is being built, urged that interchanges be provided to permit them to use the road, too, for travel to and from Washington.

The then Administrator of the Federal Aviation Agency, Gen. E. R. Quesada, strongly resisted all such requests. He held that the sole purpose of building the road entirely at Federal expense was to provide a high-speed freeway between the airport and Washington; that to open it up to local traffic would result in overloading the road with a type of traffic for which it was not intended; and that this not only would create safety problems, but it would lessen the airport's attractiveness to air travelers to and from the Capital by increasing the time needed for the 30-mile trip from the airport to Washington.

General Quesada, however, was thoroughly sympathetic to the requests. He realized the need of the area's residents for better traffic connections with Washington. He realized the need for maintaining among those residents a sympathetic and understanding attitude toward construction of a noisy and in many ways bothersome airport just a short distance from their previously quiet, placid homes.

For these and other reasons, the FAA in acquiring right-of-way for the access road purposely acquired more land than was needed for the road itself. Its idea was that, ultimately, the unused land could be utilized by the State of Virginia for construction of additional roadways paralleling the access road but not connected with it—service lanes, so to speak. These lanes would have local connections along the way and would be intended for local and commuter traffic. They would thus have most of the advantages of direct connections with the access road itself but would not interfere with high-speed airport-Washington traffic along the access road.

On July 17, 1959, General Quesada stated this policy to the Senate Appropriations Committee in these words: "Sufficient land is being acquired to permit the future construction of addition lanes parallel to the airport access road."

Residents of the area regarded this stated policy as less than what they sought, but still far better than nothing. I am sure that because they accepted General Quesada's implied promise of future side lanes, many of them relaxed in their efforts to obtain direct access to the road.

As recently as last July 5, the now Administrator of the FAA, Mr. N. E. Halaby, restated the policy in a letter to Senator Hubert Humphrey. Reviewing the continuing efforts of some local residents toward local use of the access

road, Mr. Halaby referred to the concept that the road was solely for use of airport traffic on a safe, high-speed basis. Then he added:

"If there is a way to assure fast, safe travel between the city and the airport, and at the same time make it useful to residents, and future residents of the area, I would be happy to consider it.

"It was with this concept in mind that we acquired enough right-of-way originally to permit construction of a local traffic roadway in addition to the airport express highway. It may be possible for FAA to make this land available to the State of Virginia so the State could meet the local traffic needs of its citizens in the area. This would require further planning and construction, for which the FAA has no money, but I can assure you we would cooperate to the fullest extent in exploring this possibility."

Now, however, we have a most disturbing development. It lies in the apparent real possibility that the FAA will turn over the access road to the National Park Service, and that the Park Service will refuse to permit construction of additional roadways along the unused right-of-way, as was so long intended.

Subsection (7) of section 6 of H.R. 7399, Mr. Chairman, would authorize the FAA, through the proposed National Capital Airports Corporation, to "transfer to any Federal or State agency under mutually acceptable terms and conditions any access road to the additional Washington Airport authorized by Public Law 762, 81st Congress. * * *". The FAA tells me that if this bill is passed, it is their intention to turn over the access road we have been discussing to the National Park Service.

I think no one has a greater admiration than I do for the splendid work being performed by the National Park Service and its capable and conscientious Director, Mr. Conrad Wirth. The work they have performed in developing and improving our system of national parks has been outstanding. However, there is one point on which Mr. Wirth and I differ sharply. It is the use which should be made of Park Service roads in the District of Columbia.

He and the National Park Service have made it clear on many occasions that they are opposed to local or commuter traffic use of Park Service roads anywhere, even in the Washington area. They now have made it clear that should they assume control of the Dulles Airport access road, they will strongly oppose any development of it or its right-of-way to permit such use. They refuse to recognize the undeniable truth that local conditions create different circumstances for this road than exist for the vast majority of roads under the Park Service's jurisdiction.

If the National Park Service would agree to honor the FAA's longstanding commitment to permit use of the extra right-of-way for additional local-use roads, we would have not the slightest objection to giving it the access road.

If the FAA would agree to require honoring of this commitment by whatever agency it turns the access road over to, we would not have objection to enactment of the blanket road-transfer authority contained in section 6(7) of H.R. 7399.

In the absence of such an agreement—and we have thus far been unable to obtain it—we most strenuously urge that specific language be written into H.R. 7399 to carry out the commitment. We do so not only for the sake of residents of the area, but also for the well-being of the airport itself, which must have the wholehearted cooperation and assistance of the area in which it is located if it is to achieve its maximum beneficial use.

May I repeat here what I said in a letter of April 17, 1962 to Administrator Halaby: "The airport needs the support and cooperation of these [nearby] communities in many community services as well as a generally friendly and cooperative attitude on the part of their residents. To deliberately flout what we all took as a firm commitment concerning the possible use of the access road's unused right-of-way, most assuredly will alienate these communities and their residents, rather than create any feeling of friendly cooperation. The move would be extremely bad from the standpoint of community relations."

In that same letter to Mr. Halaby, I suggested that if the National Park Service was unwilling to agree to honor the commitment, it might be more appropriate to turn the road over to the Bureau of Public Roads. I would urge the committee now to give the most serious consideration to this suggestion. This is an exceptional case, and the Bureau not only is thoroughly familiar with the problems involved but could readily perform the function of managing the road. Furthermore, we are confident that it would be receptive to honoring what we feel was a firm commitment to permit construction of additional side lanes to handle local and commuter traffic.

I am sure the members of the committee are familiar with the phenomenally rapid growth of this particular section of Virginia in recent years. You also know of the additional growth and development that can be anticipated for the area with the opening and developing operation of Dulles Airport. You can readily understand our reasons for being so disturbed now by the apparent abandonment of a promise that certain land would be made available to help alleviate the area's traffic problems.

For these reasons, Mr. Chairman, we most urgently request that the committee join us in seeking an administrative agreement to carry out the commitment concerning the unused right-of-way, or that in the absence of such an agreement, the committee write such a requirement into the pending bill.

We urge it not only in the interest of demonstrated need but in fairness to the people of an area who thought they could count on a promise previously made.

Mr. WILLIAMS. Mr. Halaby, are you prepared to testify this morning?

Mr. HALABY. Yes, sir.

STATEMENT OF HON. N. E. HALABY, ADMINISTRATOR, FEDERAL AVIATION AGENCY; ACCOMPANIED BY ALAN L. DEAN, DEPUTY ADMINISTRATOR FOR ADMINISTRATION; G. WARD HOBBS, DIRECTOR, BUREAU OF NATIONAL CAPITAL AIRPORTS; AND NATHANIEL H. GOODRICH, GENERAL COUNSEL, FEDERAL AVIATION AGENCY

Mr. WILLIAMS. You may proceed.

Mr. HALABY. Mr. Chairman and members of the subcommittee, on July 18, 1961, I had the privilege of appearing before you to present the views of the Federal Aviation Agency on H.R. 7399, a bill to create a National Capital Airports Corporation to operate the federally owned civil airports in the District of Columbia area. I welcome this opportunity to testify again on behalf of the Corporation legislation and also to state my opposition to H.R. 10471, a bill to establish a Washington Airports Board.

Before I proceed with my prepared statement, I would like to introduce the members of my staff who have accompanied me and who will help answer such technical questions as the members of this subcommittee may have. Mr. Alan Dean is the Deputy Administrator for Administration; Mr. Ward Hobbs is the Director of the Bureau of National Capital Airports; and Mr. Goodrich is the General Counsel, the new General Counsel of the Agency. I should also like to present Mr. Harold Seidman, Acting Chief of the Office of Management and Organization of the Bureau of the Budget, who is the expert in the application of the Government Corporation Control Act to revenue-producing activities of executive agencies.

I believe at the present time there are about 13 such corporations wholly owned by the Government.

H.R. 7399 provides for the operation of the federally owned civil airports in the Washington metropolitan area through a corporation subject to the direction of the Administrator of the Federal Aviation Agency. The primary purpose of this legislation is to place the management of those airports on a sound business basis for the purpose of affording better service to the traveling public, the airlines, and other users of aircraft at a minimum cost to the taxpayer. The corporate form of organization will materially enhance the effi-

ciency of airport operations and will make possible prompt action to meet needs involving the safety or convenience of the public.

Mr. Chairman, in the last year, in fact, since I last appeared before this committee, we have taken quite a few steps to consolidate and strengthen and improve the management of the Agency. It is one of the largest and most expensive agencies in the executive branch. And we have tried to bring in modern management for it. During its first couple of years it had to run so fast that it did not always have time to consolidate and strengthen the management of these 44,000 people in all 50 States and overseas.

Recently, and I hope you will permit a little bragging, we have been able to bring in some additional strong experienced men. In particular, Mr. Robert Shank has become Deputy Administrator for Development. He is a scientist-engineer of the first rank, former member of the Bell Telephone Laboratories staff, more recently vice president of research and development at Hughes Aircraft and for the past 18 months president of his own corporation, the American Systems, Inc.

Mr. Gordon Bain is now Assistant Administrator for Appraisal. We have that unique quality of introspection and continuing self-appraisal in this outfit. Mr. Bain, who has been in charge of his own firm and recently vice president of Northwest Airlines, will bring great strength to our investigating ourselves to improve our management.

To head up our Systems Maintenance, we have Mr. Barney Vierling, a District resident, and a man who has run his own company and previously was vice president, maintenance, of Capital Airlines and an aeronautical engineer at Douglas.

Finally, among those we have been able to get to come and help run this Agency, Mr. William Schulte of Oklahoma, who has been running his own company. He is a private pilot, formerly a business leader in Baltimore, Md.

All of these men will help provide you and the public better management of the almost three-quarter billion dollars a year in budget and nearly 45,000 men in this Agency. With their help and with this bill I think you can feel some confidence that we have a good management in the "Friendly Aviation Agency."

The National Capital Airports Corporation would have the authority to conduct airport operations within a broad delegation of statutory authority, but it would remain under the policy direction of the Administrator of the Federal Aviation Agency. This is a most desirable arrangement, for while a certain degree of independence of action must be possessed by any airport authority if it is to do its job well, it is essential that an official of the executive branch concerned with the fostering of aviation be in a position to assure the Congress and the President that the airports are being operated in a manner consistent with the public interest. And, I might add, to be held accountable.

In contrast, H.R. 10471 would create an entirely independent agency administered by a Washington Airports Board consisting of five members appointed by the President and confirmed by the Senate. The Board would add unnecessarily to the number of agencies in the executive branch and would complicate the task of exercising policy direction and assuring good management in the operation of our

National Capital area airports. The divorcement of the Board from the Federal Aviation Agency would also separate the staff of the airports from the technical and management resources which can be readily provided to a corporation established within the Federal Aviation Agency.

I might add that we intend that these two airports be pacesetters, be examples for the rest of the national airport system to which so much attention is being given and on which the Congress has authorized the spending of \$75 million a year of Federal funds. It therefore is helpful to us if we can have the most modern, the most convenient, and above all, the safest airports in the world and can use these standards where possible for application to other airports.

Moreover, H.R. 10471 does nothing more than create a new agency; it does not equip that agency with the revolving fund financing, the commercial-type budgeting, and the administrative flexibility available under the corporate organization contemplated by H.R. 7399. Thus H.R. 10471 produces an undesirable fragmentation of Government organization without a single management advantage of the kind provided for by the Corporation bill.

I recognize the author's objectives and he and the distinguished member of this committee from Maryland have constantly and, I might add, ceaselessly and with great vigor and great effort, represented the views of the citizens of Maryland. A day does not pass but what we feel the strength of their intellect and interest in this matter. And we understand that this is an alternative way of conducting the public business in these two airports, and we have no doubt that this is their view of the best way to do it. And I might add it is possible to run these two airports through a five-man board. We feel, however, despite this ingenuity in engineering an alternative, that the bill proposed by the administration is preferable.

In the hearings conducted by the committee last July we presented in full the case for a National Capital Airports Corporation which would operate the Washington National and International Airports under the direction of the Administrator of the Federal Aviation agency. Subsequently members of my staff testified on certain amendments proposed by other witnesses. On August 10, 1961, the Agency further commented in writing on some possible amendments to the bill.

A repetition of what is otherwise already on the record and known to you is believed unnecessary, yet I do wish to stress the increased urgency of action on H.R. 7399, if we are to have the best organizational and management tools to undertake the operation of the new International Airport at Chantilly scheduled for completion this year. With the completion of that airport, operating expenditures, total revenues, the volume of business transactions with the public, and the number of situations requiring prompt action by the airport management will all sharply increase.

If we are to meet the challenges of a much more complex airport operation, we must replace an organization not as appropriately adapted to business-type activities with a corporate arrangement specifically tailored to our needs. I would hope that action could be completed on the corporation legislation during the current session of

Congress in view of the fact that Congress has already given much thoughtful attention to this proposal.

As long ago as the 83d Congress the Senate Committee on Interstate and Foreign Commerce unanimously recommended the establishment of a corporation to operate Washington National Airport. That committee specifically cited the difficulties which had resulted from the application of customary budget and fiscal practices designed for conventional Government agencies and urged the creation of a corporation as a means of achieving more effective management of the airport. In 1960 the Senate Interstate and Foreign Commerce Committee held hearings on a bill virtually identical to H.R. 7399, and, of course, the Subcommittee on Transportation and Aeronautics received testimony on H.R. 7399 on July 18 and 19 last year.

The executive branch has consistently supported an Airports Corporation for the National Capital. The President, in his budget message in 1955, urged the enactment of legislation to establish an Airports Corporation. In his 1962 budget message the President endorsed the Corporation and stated that—

This arrangement will provide greater management flexibility to meet changing requirements and permit more businesslike operations.

The pending bill also has the full endorsement of the present administration.

We are also hopeful of early action because a corporation of the type contemplated by H.R. 7399 is not a novel proposal. Since the enactment of the Government Corporation Control Act of 1945, the Congress has repeatedly approved the establishment of corporations in instances in which the activities of an agency are: (1) Revenue producing; (2) are potentially self-sustaining; (3) involve a large volume of business-type dealings with the public; and (4) require the management flexibility to respond swiftly to unpredictable changes in demands for services. In the transportation field the Congress has provided for a St. Lawrence Seaway Development Corporation and has incorporated the Panama Canal Company. In other areas of Federal responsibility the Congress has created such important corporations as the National Mortgage Association, Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, Federal Prison Industries, Inc., and the Virgin Islands Corporation. All we ask is that this tested device for effective management in revenue-producing, business-type situations be made available to FAA.

As indicated in my statement to the committee last July 18, the Corporation will continue, if this legislation passes, to be under the strict scrutiny of the Congress in accordance with provisions of the Government Corporation Control Act. Several members of this committee, I am sure, feel that the airports should be under a continuing scrutiny and should not be fully divorced from the Appropriations Committees surveillance and control. I think it will be possible both to achieve the operating and managerial advantages of the corporate form of organization and at the same time assure that the activities of the Corporation are properly subject to congressional surveillance.

Under the Government Corporation Control Act, an annual business-type budget must be prepared under such rules and regulations as the President may establish. That budget sets forth for the Con-

gress a plan of operation for the Corporation during the fiscal year. The budget includes an estimate of the financial condition of the Corporation for the current and ensuing fiscal years and states the actual condition and result of operations for the last completed fiscal year. Thus the Congress has before it a complete statement concerning the affairs of the Corporation, its plan of operations, and it may take such action as it deems appropriate.

With respect to the proposed National Capital Airports Corporation, it will be necessary to present to this committee a request for the initial appropriation to finance the operation of the National Capital area airports. The Congress will in the regular manner determine the amount of this appropriation and impose any limitation which it determines to be proper.

Furthermore the Corporation is prohibited from undertaking new activities or capital expenditures in excess of \$1 million unless included in the annual budget program.

Furthermore the bill provides for an annual public report.

There is some curiosity about just what steps would be taken in getting the Corporation underway, and it seems to me worth dwelling on for a moment. If this committee reports favorably on this bill and the House passes it, if the Senate committee has a hearing and the Senate passes it, and when the President signs it, there would then be a legislative basis for the establishment of the Corporation. There would then be a request to the Congress through the Appropriations Committee for the appropriation for the Corporation. This would be like a capital fund for the Corporation. The Corporation would then establish its operating account known as the fund of the Corporation.

Now, as we have testified to the Appropriations Committees repeatedly, and as they are fully familiar with, we will make money on the National Airport and we will lose money on the International Airport. The International Airport will be operating at a deficit for quite a few years. We estimate that perhaps in the first 10 years or so there will be a deficit at International but a profit at National. Maybe the second decade of the life of the International Airport will be around the break-even point. And the third will be profitable. We will recover capital in the third 10 years and we will have to invade the appropriation to operate both airports only during this early phase. But in the payoff phase this would feed back into the appropriation, reducing it, and it would return to the Treasury through the appropriation whatever net revenues we were able to earn on the combined operation of the National and International Airports.

That is the end of a prepared statement, Mr. Chairman. I am sure the committee has questions and I will try to answer them, and if I can't, I would like the privilege of calling on those more expert than myself.

Mr. WILLIAMS. It will be quite all right.

I suppose, to start the questioning, we might as well turn Mr. Friedel loose on you, because I understand he has several million questions that he would like to pose to you.

The Chair recognizes Mr. Friedel.

Mr. FRIEDEL. First I would like to say this: Mr. Halaby, I am not blaming you for Dulles Airport. You weren't here at the time the original \$14 million was appropriated, and I know that you have this

mess on your hands, but I have some pertinent questions that I would like to bring out for the record and I want you to be assured there is nothing personal. You have a job to do that was inherited by you.

Can you tell me the amount that has been appropriated so far for the construction of Dulles Airport, including the designs and all of the costs just for the constructing of Dulles Airport?

Mr. HALABY. Mr. Friedel, the total amount appropriated to date, and either spent or in the process of being spent, is \$106.8 million. Of that the access highway, the construction of the access highway, is about \$13.9 million and highway land about \$4.2 million.

Mr. FRIEDEL. Plus the \$106 million?

Mr. HALABY. No; included within the \$106 million.

Mr. FRIEDEL. Now, how much of the access roads have been completed or expect to be completed out of the \$106 million?

Mr. HALABY. In mileage it is approximately 18.2 miles and in total cost for construction and land the figure is about the same, about \$18.1 million.

Mr. FRIEDEL. More? To complete the full access roads?

Mr. HALABY. No. That is the completed cost.

Mr. FRIEDEL. Completed cost.

Mr. HALABY. Yes, sir.

Mr. FRIEDEL. Will that be in addition to the \$106 million?

Mr. HALABY. No, sir. That is part of the \$106 million.

Mr. FRIEDEL. Part of the \$106 million?

Mr. HALABY. Yes.

Mr. FRIEDEL. Well, what additional will there be to the \$106 million?

Mr. HALABY. Well, as far as I know—

Mr. FRIEDEL. You say \$13.1 so far and you expect \$18 million, so it will be a little more than \$5 million more in addition to the \$106 million, is that correct?

Mr. HALABY. No, sir. Let me recapitulate. The total appropriation and estimated cost of the airport program including the highway, including the access road, is \$106.8 million. Of the \$106.8 million, approximately \$18.1 million is being spent on highways. Now, there is in that amount a right-of-way to connect the access road to U.S. Route 66 at some future date and if that is required and if the Congress appropriates funds for that, that would be the only additional amount that I know of in the program for any further highway construction. But that is not now in being or in immediate contemplation.

Mr. FRIEDEL. What about sewerage?

Mr. HALABY. Well, sir, there is, as I understand it, a sewage system being put in to serve this airport and adjacent communities.

Mr. FRIEDEL. What will that cost?

Mr. HALABY. It is my understanding that a \$3 million Federal grant has already gone into the construction of this sewage project and that the District has been authorized to borrow an additional \$25 million for this so-called sewage interceptor.

Mr. FRIEDEL. That is in addition to the \$106 million. Congress is still appropriating money in addition to the \$106 million.

Mr. HALABY. Mr. Friedel, the question actually arises as to whether this sewage system would be necessary regardless of the airport. It is my understanding, and as you say, I wasn't here, and fortunately

the FAA is not in charge of this particular District of Columbia activity, the sewage disposal—it is my understanding that you would need a sewage disposal system for this region regardless of an airport, but because of the size of this airport, the airport and the public usage of it, this system is much larger than it would otherwise have been.

Mr. FRIEDEL. I just cannot get this clear in my mind.

If the airport is in Virginia, the communities are in Virginia, why would the District of Columbia pay for the sewage system? I just put that all down to the cost of the airport in addition to the \$106 million.

I was informed that only 15 miles of this speedway to the airport is contemplated being completed this year, and the rest of it will not be completed until 1968, for the other 15 miles.

Now, is that not additional funds which are needed for the access roads or the speedway to the airport?

Mr. HALABY. Well, as I said, there is an airport terminal highway to the intersection of the McLean bypass approximately 15 miles, and that will be completed this year, and that is the principal access road.

Now, as you know, Route 66, under the interstate highway program, is being constructed and, to facilitate travel to and from the airport for those who would use Route 66, there is about a 2-mile or a 2½-mile stretch between the McLean bypass and Route 66 for which the right-of-way has been purchased, but for which construction funds have not been requested and will not be requested until the requirement emerges.

Mr. FRIEDEL. Well, that answers my question.

Mr. WILLIAMS. Do you have, perhaps, with you maps where we might see the location?

Mr. HALABY. I think we do. That might be helpful to put those up right now.

Could we put it on this wall over here, Mr. Chairman?

Mr. WILLIAMS. You may put it anywhere where it can be seen.

Mr. HALABY. I think, Mr. Friedel, you want the record clear, that to complete the contemplated highway program of access to the airport—

Mr. FRIEDEL. Yes.

Mr. HALABY (continuing). Will require an additional \$5 million over the amount already spent for right-of-way and land; namely, 18 miles of it, and the construction of approximately 15 miles of it which will be completed this fall.

So, at some future date this connection between the Route 66, which has not yet been built from the District through Arlington and, of course, all the way to California, that portion which has not yet been built will be built, and at that point it would be desirable, it is contemplated, to build on land already purchased within the \$106 million a 2½-mile connection between the access highway and Route 66.

The estimated cost of that at present prices is \$5 million. We have the right-of-way and the land has been purchased, but we have not turned a spade of dirt on that section.

Mr. FRIEDEL. \$5 million for the 2½ miles?

Mr. HALABY. Yes, sir.

Mr. FRIEDEL. Now, what do you think the driving time will be?

Mr. HALABY. From—

Mr. FRIEDEL. From Washington to Dulles Airport with your 15-mile speedway in there, how long will it take from downtown Washington, to get to the Dulles Airport?

Mr. HALABY. Well, that is a little bit like asking how far is "far".

Mr. FRIEDEL. Well, speaking of the best time.

Mr. HALABY. The best time will—

Mr. FRIEDEL. Speaking of 6 o'clock in the morning.

Mr. HALABY. The best time will be midmorning, and midafternoon, when the commuter traffic at the metropolitan end of the route is lightest, and that will depend upon the individual form of transportation.

There will probably be buses and there will be private cars as the most used means of transportation.

Now, most of the traffic from the Washington metropolitan area, according to the studies that I have seen, comes from what is known as the northwest part of Washington.

This is the business community and the source of most of those who use air transportation.

Therefore, that will originate on the northwest side of the dense auto traffic region. They will come across one of the four bridges, the 14th, the Memorial, the new Roosevelt, and the Key Bridge.

And, they will have their slowest going during the first mile or so. When they get on the parkway and start out to the McLean bypass, and get on the airway to the airport, the "speedway" to the airport, as you called it, then they will have fast going.

So that I would guess that the best time would be midmorning, midafternoon, and at night for the 29.5 miles from the Statler, and it probably would be in the order of 45 to 50 minutes.

The worst time will depend on just how much bridge traffic there is.

Mr. FRIEDEL. Forty-five to fifty minutes at the best time at night, and the afternoon, when there is no traffic?

Mr. HALABY. Well, it is a tough guess. I would say that the very best time, adhering to the speed limits, would be in the order of 45 minutes.

You could make it. You can make that last 15 miles in 15 minutes. If you zipped across I suppose you could make it in 30 minutes, but I would not recommend that for the average person.

I do not think the bus can make it—

Mr. FRIEDEL. 30 miles in 30 minutes going through traffic of the downtown area and—

Mr. HALABY. I say, I do not think I would recommend that, and I do not believe it is possible under normal conditions but, theoretically, you could do it.

Mr. FRIEDEL. Well, how long do you think it would take to get to Friendship?

That is what I am trying to bring out here.

Mr. HALABY. Well—

Mr. FRIEDEL. That is from the Statler Hotel.

Mr. HALABY. Mr. Friedel, I would sum it up this way: I think it depends upon where the man starts from.

Mr. FRIEDEL. You used the Statler, so let's use the Statler.

Mr. HALABY. For those starting from the northwest part of Washington I think it is going to be a little sooner or a little faster to go to Chantilly than to Friendship.

Obviously, for those on the other side of town it is going to be faster to go to Friendship. And everyone going out there is going to have a different experience every time he goes.

Sometimes you can go from Rockefeller Center to LaGuardia in 30 minutes and sometimes it takes you an hour and 30 minutes.

Mr. FRIEDEL. It will take you an hour and a half to get to Chantilly or Dulles at certain times of the day right now.

It will never take you an hour and a half from downtown Washington to get to Friendship.

Mr. HALABY. Well, it has taken individuals an hour and a half to get from downtown Washington to Friendship, but it is an unusual condition.

All you need is one accident or a Thanksgiving Day or July Fourth weekend, and you have quite a delay in getting out of the city limits.

Mr. FRIEDEL. Well, we are going from the best to the most ridiculous.

Mr. HALABY. Yes, sir.

Mr. FRIEDEL. Mr. Halaby, that is one of the points that I argue against spending \$105 million, as you say now, and then \$25 million for sewerage. That is \$131 million. And then another \$5 million for roads makes \$136 million, and it will be \$150 million before you know it.

At the most, using the Statler Hotel as a starting point, you say that you can save a couple of minutes, and here you have a most wonderful airport. I argued against this on the floor. Of course, I did not get enough votes.

This was dumped in your lap. To me, it should never have been built. And they said that the peak would be reached, about 1965 when we would need all three airports.

Baltimore City spent the original funds out of loans to build Friendship Airport. They spent their own funds just before we had the Federal Aviation Act to give us money.

They are right now under a \$26 million loan program. The taxpayers in Baltimore City are going to pay to make Friendship even better. It is a wonderful airport. All this money is spent to save 2 or 3 minutes and, certainly, Washington is much closer to Friendship than it is to Chantilly.

Now, I am worried. The only thing here is that we have been in business for 12 years at Friendship and last year was the first year that we got out of the red.

We are very fearful of what will happen when Dulles opens, what FAA is going to do, and what the CAB is going to do to shift these airlines out of Friendship.

And I want to ask you this question, Mr. Halaby, and, believe me, I would like to know the meaning of this statement.

This is the Aviation Daily and you spoke at a luncheon at an Aviation Space Association in New York, and I just want to quote part of what you said:

He also charged—

that is, Mr. Halaby—

that the carriers are "trying to treat me just like any other airport owners and they won't get away with it. This is a threat to them."

Now, they said you added:

"Some have been watching me to see if I am as tough as former Administrator Pete Quesada but, mind me, gentlemen, I think you will find me tougher, but I may be a little bit more precise in picking my targets."

Now, I am worried about this because certain of these airlines may not want to go from Friendship to Dulles, and if the airlines do not want to go, what are you doing to do to force them to go? If this means anything?

And that is the crux of my question.

MR. HALABY. Well, Mr. Friedel, I guess even you may have had the experience of having to say "I did not say that."

MR. FRIEDEL. Many a time.

MR. HALABY. But since it is believed that I did say that, and since one's denial almost never catches up with the claim, let me assure you that I have not, and will not, use the regulatory powers that the Congress has reposed in the office I hold to coerce the air carriers to do anything against their will.

I do have to say, sir, and am rather pleased to be able to say, this morning, that the air carriers have now agreed to use the International Airport and that we will shortly sign an agreement.

We have been able to negotiate a sound, sensible agreement with the air carriers for the use of the airport.

The terms, in substance, are all agreed and so they have decided that the public convenience and necessity and demand for airport services is such, at that location, the International Airport at Chantilly, that they, good businessmen, all, should use it.

So these gladiators that I was talking about at that Wings Club luncheon, are now knights in glistening armor, and we have come in not to clash with them but into harmony with them.

And it is a great relief to me that, having this lovely legacy, we have been able to come into agreement with those who will use it on terms, I believe, quite favorable to the Government, and this removes the major uncertainty and very heavy question that we have had to bear.

MR. COLLIER. Will the gentleman yield?

MR. FRIEDEL. Yes.

MR. COLLIER. With no thought of alleviating your fears, I would suggest to you to analyze and review the trend in the traffic flow from Midway Airport in Chicago to O'Hare Field, which is in my district, in the last 2 years. What transpired, I am sure, was done with no coercion from the FAA but, rather, voluntarily by the airlines as a result of the expanded and adequate facilities that existed there.

MR. FRIEDEL. Well, I was informed that one of the airlines, a major airline, is losing a lot of money; that it will cost them \$1 million more to operate out of Dulles than it does cost them today to land and take off at Friendship.

Now, I cannot see any good business that is losing money arranging to lose more unless there is something to bring it back.

I would like to know whether there is anything, under the law, whereby you can force the airlines to take flights away from Friendship and go to Dulles?

Mr. HALABY. Well, Mr. Friedel, I must say to you that there is a very positive side to this.

This airport is going to be the greatest airport in the world. It is going to be the safest.

It has the runways, the taxiways, the ramp, that are the best designed and best built ever.

It is going to have fueling out in the center of the airfield, and remove that hazard to occupants of the terminal.

It is going to be the most beautiful airport in the world, and this positive feature is due to this magnificent design by the late Eero Saarinen, and the very handsome way it is being carried out.

These are positive, dynamic attractions of this airport. It is going to be one of the most comfortable for the neighbors, because my predecessors in this business and you, in the Congress, bought 10,000 acres and the community, we believe, will zone the takeoff and landing portions so that the noise will not be the nuisance that it is at so many airports.

This is a terrible problem for Mr. Collier and his neighbors in Chicago at O'Hare and Midway. This noise problem is a very difficult matter. Out here it has been anticipated in the design.

So I think—and, remember, this is private enterprise that is coming in and paying these landing fees, as high as they are. They are calculating that there is a demand for this airport.

And I believe the positive side of this is that as population expands, as urbanization continues, as the carriers get healthier financially and more able to offer more productive services, more comfortable services, there is going to be need for Friendship, for Chantilly, for Washington National, for heliports, and that we are going ahead, and that this is going to be a momentary unfavorable factor for those who had the courage and the foresight to build a good airport at Baltimore.

And it is this few years along in here, where there will be a setback just as there was a setup for Friendship during the last 3 years when the jets came in and could not be accommodated at Washington National Airport which was built in the thirties.

Mr. FRIEDEL. Well, Friendship is far visioned because they zoned properly, and there are no homes near the airport.

I do not know the acreage there but they have access to many thousands more acres. We have never had any complaints about noise at Friendship.

You have heard complaints at Idlewild in New York, but you have never heard of any at Friendship. You have heard of it in other areas.

Baltimore had good vision. They planned it very well. It was done on their own funds.

Now, of course, becoming the most beautiful airport with \$150 million—well, it ought to be, no question about it.

Mr. HALABY. Well, quite a bit of money has been spent on a lot of airports that have not been something which the country can be proud of.

Mr. FRIEDEL. In other words, there has been no pressure put on by the FAA to get the airlines to move from Friendship to Dulles?

Mr. HALABY. No, sir, not to my knowledge. In fact, I have tried to keep these negotiations in the hands of my Director of National Capital Airports, Ward Hobbs, who is a former airline official, and I have told him, and I have backed him every step of the way, that he is negotiating so that I will not be charged with coercion or regulating with the left hand and negotiating with the right hand.

And he has done a magnificent job of working out with these men a deal that is very sound and that conforms to the admonition of the Appropriations Committee.

This is one of the reasons why we need this bill, I think. I think we ought to put this activity in a businesslike arrangement, a corporation, and not make it completely independent from the FAA but sufficiently independent so that you can hold it accountable and so that you can see what it is doing.

Now, those remarks that you quoted, that were alleged to have been made by me, were designed to assure the airlines that we were not about to give them a free ride at Chantilly.

I think they thought maybe we would just give them a free ride out there. And I just wanted to make it very clear that in Mr. Hobbs' negotiations I was backing him 100 percent, and that we were going to negotiate and that it was going to be done on a businesslike basis, to recover as soon as possible as much of the national taxpayers' investment in this airport.

And it apparently had some effect because they have voluntarily come into agreement with us on a deal.

Mr. FRIEDEL. Are you following the directive of the Appropriations Committee to get landing fees commensurate with the cost of the airport?

I mean, are you getting proper landing fees or are you cutting them too low?

Mr. HALABY. Well, we will make public very shortly the agreement we have reached with the airlines in the last few hours, and it will provide something like this.

There will be a landing fee of 30 cents per 1,000 pounds of landing weight. There will then, in addition to that, be a charge of about 12 cents per 1,000 pounds of landing weight for the use of this unusual feature of this airport, the mobile lounge.

The terminal building rates' rental will be so much per square foot, and we will recover the investment that should be recovered within 30 years. Now, the question of what should be recovered is the matter of policy, and we have discussed this with the Appropriations Committee chairman and have thought very hard about how much of the \$106.8 million should be recovered over the next 30 years.

Now, almost every airport of major significance has what we call "FAAP money," Federal Aid to Airports money. And they—Friendship, Midway, and others—do not attempt to recover from the air carriers the Federal grant money.

The equivalent amount of Federal grant, if this had been an eligible airport, was \$11 million. So we are not going to recover that \$11 million of the \$106 million, just as your airport authority does not recover the Federal grant.

The tower is normally built by the FAA. So we are not going to recover the \$2 million cost of the tower. This mobile lounge, we believe, is going to be a successful development and usable at other airports.

For example, there is a new airport going in at Houston, Tex. Maybe that intercontinental airport might use this mobile lounge if it is successful here.

So we are not going to charge the airlines the research and development costs for that mobile lounge.

The access highway is not, in the view of the airlines, part of the airport and we are not proposing to recover that money over this 30-year period. So what we have worked out and discussed with the Appropriations Committee is to recover all of the \$106 million but the \$33 million that I have just enumerated.

And so, the deal with the airlines provides for our recovering \$73.8 million out of the \$106.8 million, over the next 30 years. And the way we do that is to start with these landing fees, and we have insisted in the agreement that we can escalate these fees upward.

Now, as you know, these fees are quite a bit higher than the fees at Friendship. They are more than twice the fees that I am charging at Washington National Airport, and I have just been able to negotiate those up by 100 percent.

So, although Mr. Boyd will not be happy with these additional costs to the air carriers at this time of their financial troubles, it does provide a business like recovery of the national taxpayers' investment in these two airports.

Mr. FRIEDEL. You said the access road to the speedway or the access road to the airport. Is that going to be a toll road?

Mr. HALABY. It could be. At the present time it is not proposed that it be, and we have that under consideration.

The problem there is, as Mr. Broyhill pointed out, it is a 400-foot-wide right-of-way and it goes to the airport.

The employees of the airport, the airline crews, as well as passengers, would have to pay a toll if it were a toll road. This would tend to discourage the use of the airport and since much of our revenue is from the money spent by passengers going through the airport, it would reduce the annual revenue and increase the deficit by the amount of discouragement of those who would not want to pay a toll, but—

Mr. SPRINGER. Mr. Chairman—

Mr. COLLIER. Will the gentleman yield?

Mr. FRIEDEL. I have a lot more questions but I will yield.

Mr. WILLIAMS. Mr. Springer?

Mr. SPRINGER. Do you just have a question?

Mr. COLLIER. Yes.

Mr. SPRINGER. I will yield for the question.

Mr. COLLIER. Would this corporation, provided this bill is enacted into law, have the authority to assess the various Federal agencies pursuant to the Airport Act of 1961 for use of quarters that they maintain at the airport?

Mr. HALABY. You are thinking of, say, the Weather Bureau and the Immigration and Naturalization Service?

Mr. COLLIER. Yes.

Mr. HALABY. Would we charge them rent?

Mr. COLLIER. Yes.

Mr. HALABY. We are empowered to do so under the act, and we would, as we do at Washington National.

Mr. COLLIER. The Corporation would have the power to do this?

Mr. HALABY. Yes, sir.

Mr. COLLIER. Thank you, sir.

Mr. SPRINGER. Mr. Halaby, at the present time, as of now, May 2, 1962, Washington National Airport is under one corporation.

Is that correct?

Mr. HALABY. No, sir. It is a facility of the Federal Aviation Agency.

Mr. SPRINGER. All right.

Now, what is Dulles Airport?

Mr. HALABY. It is another facility of the Federal Aviation Agency.

Mr. SPRINGER. Now, you are going to put these two together in a corporation.

Is that, in essence, what you have in mind?

Mr. HALABY. Yes, sir. That is the proposal in this legislation.

Mr. SPRINGER. All right.

Now, what purpose would you have in mind by doing that?

Mr. HALABY. Well, as outlined in the prepared statement, we feel that it will provide for a greater accountability, a simplified form of management, that it is in keeping with the Government Corporation Control Act, and that over a period of time we will get more service for the taxpayers in this form.

Mr. SPRINGER. Could you tell me—

Mr. HALABY. As I said, one other reason is the more independent this is, from my office, the better I like it.

Mr. SPRINGER. Do you at the present time request appropriations for both airports?

Mr. HALABY. Yes, sir.

Mr. SPRINGER. From the Federal Government?

Mr. HALABY. Yes, sir.

Mr. SPRINGER. From the Federal Government only?

Mr. HALABY. Yes, sir. We, of course, earn revenues at Washington National Airport, and it is returning the investment the taxpayers have made in it over the years into the Treasury, because it is a profitable airport. At some point in the future, as early as we can make it, the International Airport at Chantilly will likewise return to the Treasury the net investment.

Mr. SPRINGER. All right. Now, if this is accomplished, would there be any reason that you can think of why, for instance, airports in Chicago or New York or Los Angeles should not do the same?

Mr. HALABY. Well, in effect, sir, they have done the same.

The analogy breaks down in several respects, but the airport authority in most large cities is comparable to this Airports Corporation that we are proposing.

Of course, some cities simply run the airport like any other facility of the city but, in the more successful operations of airports, they have set up, in effect, a local airports corporation. They usually call it an authority and this, as in this bill, has been usually authorized by the State legislature before it is set up.

Mr. SPRINGER. I presume, however, you will indefinitely continue to request appropriations for these two airports by the Federal Government?

Mr. HALABY. That is correct, sir, and, as I may have pointed out before you arrived, we anticipate, if you pass this legislation, seeking the Corporation appropriation which would be like a capital account, and during the first several years we will make money on Washington National, lose money on International, and the Corporation will operate at a deficit.

Now there is another kind of appropriation. We even sought, I think, \$2.5 million this year for Washington National Airport capital improvements, where you extend a runway or repave a ramp or the like and, of course, that goes on all over the country.

There are about 25 airport authorities in the United States that are comparable in structure to the proposal here.

I was looking for one in your area in the State of Illinois. Springfield has the airport authority. There is an Alton Civic Memorial Airport Authority.

Mr. SPRINGER. What about Chicago?

Mr. HALABY. In Rockford there is a Greater Rockford Airport Authority.

In Chicago I believe it is run by a municipal department. I think it is called the airports commission.

Mr. SPRINGER. Called the what?

Mr. HALABY. It is under a department of the government of the city of Chicago, and I believe it is called the Aviation Department of the City of Chicago, and there is, at least, one commissioner who I have, incidentally, called in, along with the chief of airports in Los Angeles and in New York, to advise with regard to this airport.

Mr. SPRINGER. Let me ask you this: Have there been any local contributions by bond issue or otherwise, or anything, for Washington or for Chantilly?

Mr. HALABY. It is my understanding, sir, that these two airports have been constructed and operated without any local funding of any nature.

They are the only two civil, federally owned and operated airports in the 48 contiguous States.

Mr. SPRINGER. Would there be any reason why, for instance, Idlewild should not have the same benefits or the International Airport in Miami or the International Airport in Los Angeles, should not have the same benefits as these two airports?

Mr. HALABY. Do you mean the benefits of Federal ownership?

Mr. SPRINGER. Well, we will say, at least, Federal funding.

How do we justify a 100-percent contribution by the Federal Government to these two airports when there are other airports that are serving this country just as well in the international field and yet they do not enjoy the same kind of contributions as do these two airports?

Mr. HALABY. Well, sir, all I can say is that you have made me responsible by law for operating and maintaining these two airports and—

Mr. SPRINGER. Mr. Halaby—

Mr. HALABY. I did not share in that decision.

Mr. SPRINGER. I am not finding any fault with you. I am trying to get your opinion as the Administrator of this Agency.

Now you ought to have an opinion as to whether or not this is a fair proposition or is not a fair proposition.

Mr. HALABY. Well, if the policy of Federal ownership of airports in this area were up for discussion I think I would conclude that, if you could get the local community, whom the airport serves, to build the airport and operate it, that this would be preferable as a matter of philosophy, I suppose, because it is designed to serve the local community.

You have an extraordinary situation here in which the District of Columbia has no home rule, is not a normal political entity in the sense that New York or Chicago or Los Angeles is, and you have a very important use of this facility by Federal employees. The airports really serve the National Capital and this is a justification for Federal financing which does not exist elsewhere.

I suppose you could say there was a national defense interest, but it is a minor one in view of the presence of Andrews and other fields. Chantilly could be used in an emergency to recover Strategic Air Command bombers. If this were an established State or city, with its own taxing, with its own legislative and executive officials, it would probably be able to set up its own airport corporation and build and run it.

Mr. FRIEDEL. Will you yield?

Mr. SPRINGER. Yes, I will yield for a question. I am almost through.

Mr. FRIEDEL. Mr. Halaby, I just wonder if you have any explanation for the need of these frequent design changes and estimates.

I know this occurred before you became Administrator, but there must have been something wrong somewhere.

In 1959 the fiscal year cost estimate for the airport was \$66 million. In September of last year the FAA estimated, for building the airport exclusive of hangars, \$105 million, an increase of \$39 million in 2 years.

That is hard to understand. If the FAA cannot do a better job than that, do you not think it is time that Congress turned the Washington airports over to someone else, a specialized body, who can give its time and attention to airports, for instance, maybe a regional airport board where you can have Friendship International, Washington National, and Dulles International under a regional board?

To me I think it would be run better as a private business rather than under the FAA, because you have a lot to do for safety and everything else.

Mr. SPRINGER. Thank you, Mr. Friedel.

Mr. Halaby, this part disturbed me as it did when this bill went through on Dulles, and I went along and I voted for it with some reservations as to exactly what the responsibility is of the Federal Government in the situation, but I cannot come to any other conclusion than if we build Dulles International Airport, so-called for this community which, after all, has roughly half of the population of the District of Columbia in the greater metropolitan area, we have completely subsidized this airport.

We have not done that for Friendship. We have not done it, as I understand it, for Idlewild or any other international airport.

They have borne their own expense, and I did want to get from you an expression for the record that possibly we should be a contributing factor equally as we do for other airports, but that it was not our job to completely subsidize an airport because it happens to be in the vicinity of the District of Columbia.

Mr. HALABY. The irony of it, Mr. Springer, is that the Federal Government has spent a great deal of money on this Chantilly Airport and was doing so at the very time that it proposed to reduce to nothing the Federal assistance to local and municipal airports.

I think the error of phasing out the Federal-aid program was corrected in time, and we now have a sound Federal assistance to local and State and regional airports, but it still does not explain this unusual situation.

Now, coming back to Mr. Friedel's question. I hope that you will feel a sense of confidence in the way this matter has been handled in the last year.

I share your reservations about the way it was handled in the past, but we have told you forthrightly that this airport would cost what it is going to cost, and we have told you that we would make maximum efforts to have it open this fall.

When I came into this job I had to inform you that it would cost an additional \$20 million, and take an additional 18 months to complete over the previous estimates of the past.

Now, why that is so, you will have to judge for yourselves, but it has, as you say, been a real headache. And the final point, it seems to me, that is important is that we are doing what we said we can do, and we have gotten the agreement of the airlines which, for a while, you know, was uncertain and, in fact, it looked as though we might have the most magnificent terminal in the world, the safest and biggest airport in the world, and everything but passengers.

Mr. FRIEDEL. Can you tell me to what extent you got them to agree to keep some of their flights, jet flights, at Friendship?

Mr. HALABY. We are not trying to eliminate jet flights at Friendship. We are trying to provide an additional airport at Chantilly, Va., in the best possible manner.

And the public, Mr. Congressman, will determine in the end whether or not the traffic demand is there or here.

Mr. FRIEDEL. If the airlines do not find it profitable, and they want to come back to Friendship, there would not be any persuasion on your part?

Mr. HALABY. The normal, natural instincts of a landlord to keep tenants will always prevail, but we certainly are not going to use any regulatory power in the FAA to hold them against their will.

The public is going to decide this in the end.

I have what I think is a very important policy of trying to reduce Federal expenditures and airlines costs where sensibly and rationally a large community or communities can be served by one regional airport; but, in the end, the public demand is what really determines this.

Mr. FRIEDEL. Well, that is it, the public demand, and I am hoping that we have enough for Friendship and let the overflow go to Dulles.

We have to keep Friendship alive. That is all there is to it.

Mr. HALABY. Well, I am always in favor of Friendship.

Mr. WILLIAMS. I have one or two questions, Mr. Halaby, that I would like to ask you.

As I understand it, the purpose of wanting to set up a corporation is to place the operation of these two airports on a strict businesslike basis, is it not?

Mr. HALABY. Yes, sir.

Mr. WILLIAMS. The purpose of it is to increase the efficiency of the operation and, insofar as it can be done through a corporation, to reduce the cost of operation to the taxpayer?

Mr. HALABY. Yes, sir.

Mr. WILLIAMS. How much attention will be given to the use of these two airports by general aviation?

Will both airports be available to general aviation?

Mr. HALABY. Yes, sir. This is a problem, as I think you, being a pilot yourself and frequently using both private and commercial aviation, know.

Right now it is pretty hard to get as aircraft parking space at Washington National and one of the members of this committee has an airplane out there that he has to walk some distance to reach occasionally. And the air carriers are not keen to share the landing approach with an airplane with one person in it that takes up as much airspace as a transport with 90 in it, but the right of a citizen to use public facilities is not to be denied.

We have given some thought to whether or not there could be a kind of general aviation airport within the large Chantilly Airport, and we will continue to give thought to that.

Mr. WILLIAMS. Do you plan to give concessions to fixed base operators at Dulles?

Mr. HALABY. There is provision for a general aviation area and, under our policies, an opportunity will be given to several fixed base operators to operate there.

And it would be in pursuit of the policy of no monopoly and no discriminatory use of the airport. I think, again, the public demand will control here.

As Mr. Friedel points out, this is some distance from the center of the city, far further and less convenient than Washington National, but this is an age of the disappearing airport because it is so costly to hold on to land big enough to land airplanes.

And, as you know, we are terribly concerned that the pressure of those who are worried about the noise, the rising land values, and so on, will banish airports from the large metropolitan areas, and we are trying very hard and campaigning vigorously to keep as many airports as we can.

Mr. WILLIAMS. Now, as I understand it, out of Washington National you only have one fixed base operation and that is Butler Aviation, is it not?

Mr. HALABY. In the fixed base operation or operator, where he goes across the board of providing maintenance and repair and services, and so on?

Mr. WILLIAMS. Yes, sir.

Mr. HALABY. That is correct, and there are several reasons for it. One is that we do not have—

Mr. WILLIAMS. I presume that that is what you call a fixed-base operator in this instance?

Mr. HALABY. Yes, sir. That is Butler Aviation. And we do not have room there for those who want to use it and, as far as I know, we have not had an applicant for a competitive fixed-base operation that we could accommodate.

Mr. WILLIAMS. Was that let on a bid basis?

Mr. HALABY. Yes, sir. We are, incidentally, proposing to enforce much more strictly than in the past the provisions of the Federal Airport Act, which require that any airport in which Federal money has been invested shall not give a monopoly to a fixed-base operator.

And this is going to create a little hueing and crying because this policy has not been enforced strictly in the past.

There are quite a few places where, through local arrangements and pressures and so on, an individual or a company has been given a complete monopoly over the fixed-base operations, and we believe that is not only unlawful but unwise.

Mr. WILLIAMS. Now, I have a few questions that I would like to ask which are, more or less, serious type of questions, but they lead to perhaps a little better understanding on the part of the committee as to the way these airports are operated.

Washington National, as I understand, is being operated at a profit at the present time?

Mr. HALABY. Yes, sir.

Mr. WILLIAMS. Approximately how much?

Mr. HALABY. Well, this latest year was \$316,000.

Mr. WILLIAMS. \$316,000. About how much a year is collected from the airlines at Washington National?

Mr. HALABY. I am going to ask Mr. Hobbs for that specific figure if he has it. If he does not, we will get it for the record.

We will get the total, Mr. Chairman, for the record. We are charging 13 cents per 1,000 pounds of landing weight, which is about twice what it was last year.

(The information requested was subsequently furnished and is as follows:)

Washington National Airport statement of income, fiscal year 1961

Total income-----	\$3,709,148
Payments by scheduled airlines (41 percent)-----	1,523,193
Income from concessions and other sources (59 percent)-----	2,185,955

Mr. WILLIAMS. Will that go also to general aviation?

Mr. HALABY. No, sir.

Mr. WILLIAMS. General aviation does not pay landing fees?

Mr. HALABY. Only if they are commercially operating.

In other words, a commercial general aviation aircraft would pay a charge ranging from \$2.50 for an executive Twin-Beach to \$7.50 for a Convair 240.

Mr. WILLIAMS. What about gasoline sales or gasoline and fuel sales?

Does the airport get a commission on these sales and, if so, approximately how much a gallon?

Mr. HALABY. The way we do that, sir, is we let a concession contract to one of competing bidders, and they pay us a basic amount for the concession, and then we get so much per gallon pumped.

Mr. WILLIAMS. Now, do you know how much it is per gallon?

Mr. HALABY. The percentage of gross business done is the base from which this is made. The gross business is the base and we charge a percentage.

I am embarrassed to say that I am not positive what it is.

Mr. WILLIAMS. That same type of arrangement is made with the general aviation?

Mr. HALABY. Yes, sir.

Mr. WILLIAMS. They pay so much for the concession and then you have a percentage of the gross?

Mr. HALABY. A percentage of the gross.

Mr. WILLIAMS. Whether it is gasoline sales or parking aircraft or what have you?

Mr. HALABY. We will put that in the record, Mr. Chairman.

(The information requested is as follows:)

GENERAL AVIATION SERVICING FACILITIES

WASHINGTON NATIONAL AIRPORT

On April 30, 1957, an invitation for proposals to conduct fixed-base operator activities at the Washington National Airport was released. This invitation was sent to 15 interested persons and organizations. As a result of the invitation, our records indicate that one proposal was received and a contract was executed with the present incumbent, the Butler company. In addition to the regular base operator functions, the agreement provides for the operator, as an agent of the Government, to meet, direct, and park general aviation aircraft and transport passengers, crew and baggage to and from the terminal to the aircraft. In addition, he collects the landing fees and remits 90 percent to the Government, retaining 10 percent for the services performed for the Government.

The operator leases a hangar and for the last completed fiscal year paid the Government \$53,967 in rent and \$15,134 for utilities. In addition, we receive 1 percent of his gross receipts or a guaranteed minimum of \$6,000 annually, whichever is greater. We also receive 0.5 cent for each gallon of aviation gasoline sold. In view of our past experience, consideration has been given to negotiating an acceptable agreement with the current operator. However, the matter is currently under review and the final decision will be made in the best interest of the Government and general aviation. In any event, we would be pleased to receive proposals from any interested parties. Such proposals would be given very careful and serious consideration.

DULLES INTERNATIONAL AIRPORT

Invitations have been released requesting proposals from aircraft-servicing operators to perform base operation activities for general aviation at the Dulles International Airport. Two proposed areas have been set aside for this purpose and similar additional plots will be developed if required. All proponents were advised that it was not the intent of the Government to grant to a single operator the exclusive right of performing such service. From among the operators one will be selected, to act as an agent of the Government, to perform certain functions including arrival guidance, ramp service at gate positions, and collection of landing fees and parking fees.

Mr. WILLIAMS. Mr. Halaby, the second bells have run for a quorum call and the committee is going to have to adjourn.

I am wondering if the committee felt that it was necessary for you to return, if we could work out a mutually agreeable time perhaps next week or even possibly later this week?

Mr. HALABY. Yes, sir.

Mr. WILLIAMS. The committee will not be able to meet this afternoon. We will meet in the morning at 10 o'clock.

(Whereupon, at 12:14 p.m., the committee recessed to reconvene at 10 a.m., Thursday, May 3, 1962.)

NATIONAL CAPITAL AIRPORTS

THURSDAY, MAY 3, 1962

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS OF
THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:20 a.m., in room 1334, New House Office Building, Hon. John Bell Williams (chairman of the subcommittee) presiding.

Mr. WILLIAMS. The committee will be in order.

Our first witness this morning, and the author of H.R. 10471, which is one of two bills that are subject to hearings in this series of hearings, is the Honorable Daniel B. Brewster, our colleague from the State of Maryland.

STATEMENT OF HON. DANIEL B. BREWSTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. WILLIAMS. Mr. Brewster, we are very happy to have you before our committee. I believe this is your first time to come before this committee.

We are very happy to welcome you.

Mr. BREWSTER. Mr. Chairman, and members of the committee, first, may I thank you and the members of the committee for the expeditious manner in which you have scheduled a hearing on the critical issues involved in the operation of airports by the Federal Aviation Agency.

As you know, the FAA now operates Washington National Airport and is now building and plans to operate Dulles International Airport at Chantilly, Va.

Now, Mr. Chairman, at this point I would like to refer briefly to the testimony given yesterday by Mr. Halaby.

Now, Mr. Halaby supports a measure that would create a National Capital Airports Corporation. I am here today to support H.R. 10471, which would establish a Washington Airports Board.

In the course of Mr. Halaby's testimony he made statements along this line, that generally local ownership of airports is preferable; that Dulles had been a real headache to the FAA, and—now, this is a direct quote—"The more independent from my office, the better I will like it."

He said that in referring to Dulles. He then outlined the advantages of the Airports Corporation.

And I find, certainly the principal, if not the only, point where we really differ is that in his recommendation of a Washington Airports Corporation he states, on page 2 of his statement—

but it would remain under the policy direction of the Administrator of the Federal Aviation Agency.

This is where we believe that the Washington airports should be under the direction of an independent agency or board subject to the supervision of the FAA, just as airports all over the country are.

The primary function of the FAA is to enforce air safety regulations and maintain proper air traffic control and air navigation facilities throughout the United States.

The role the FAA plays as the operator of Washington National, and may soon play as the operator of Dulles Airport, is in direct conflict with its primary function—to serve as the Nation's air safety policing authority.

If our Nation's air safety control system is to be held above reproach and merit the confidence of the flying public, it is imperative that the FAA, at the earliest possible moment, be relieved of certain duties which are in direct conflict with its policing and air safety responsibilities.

Further, in the area of "public convenience and necessity," in order that both the airlines and air passengers will receive equitable consideration and not be coerced into using Dulles Airport, it is necessary that the operation of this airport be removed from the jurisdiction of the FAA.

These are two separate, serious problems which exist under the present laws establishing the FAA as an operator of Washington National Airport and Dulles International Airport.

For more than a decade, air traffic has been operating at an absolute maximum peak at Washington National Airport and in a manner which the FAA does not tolerate at other airports in the United States. Should the operation of Washington National Airport be removed from the jurisdiction of the FAA, it would view air operations there with a more realistic perspective and thereby increase the safety factor and allow for greater convenience for air passengers using that terminal.

Every Member of Congress is well aware that unrealistic delays, through stacking time, delay approach time, and delay takeoff time, are routine procedure regarding flights destined for and originating at Washington National Airport.

It is my opinion that many of the flights certificated to Washington National, in the interests of both safety and convenience, would have been diverted to Friendship International Airport were it not for the fact that the FAA and its predecessor, the CAA, have been very active in trying to achieve maximum air traffic for Washington National.

It is to be regretted that the FAA is both the operator of Washington National and also the Air Safety Policing Authority. The unfortunate conflict of interest which exists under such conditions was highlighted on April 20, 1962, when Najeeb E. Halaby, Administrator, Federal Aviation Agency, described at a news conference the events surrounding a near-miss of a midair collision in the area of Washington National on March 21 between two aircraft approaching that airport.

In attempting to explain the conditions which led up to the near-miss, Mr. Halaby and Oscar Bakke, Assistant Administrator of the FAA for the eastern region, described the intricate, complicated,

tense, hairbreadth conditions prevailing in the Washington National air control tower.

At one point, Mr. Halaby pointed out that the "mounting traffic situation at Washington National is placing increasing pressure on the controllers." More than 10 years ago, when the CAA, then operating Washington National, wanted to have the Government build another airport, it said that Washington National had reached its traffic saturation point and that another airport was required.

We cannot argue with the fact that those conditions existed 10 years ago, just as they continue to exist today, but a most dangerous condition is aggravated when the operator of an airport is its own policing authority.

Mr. Halaby, in speaking of equipment now in use at Washington National, designed to coordinate delays of approaching aircraft, by his own words, indicated how the FAA and the CAA have approached this problem in the past. Mr. Halaby stated:

I hope you do not expect me or this administration to make up in 1 or 2 years the neglect of 15 years.

It is my contention that Mr. Halaby and the FAA should be given the primary responsibility of enforcing air safety regulations and not be burdened with the housekeeping operational duties in connection with Washington National and Dulles Airports.

If "neglect" has been the rule for 15 years, I think that this Congress does not want to see it continue for another 15 minutes.

The Members of Congress also should take a very close look at the tactics used by the FAA on the operating airlines in its efforts to coerce the airlines into using Dulles Airport.

This situation places the airlines in an unfair and untenable position, for these airlines, in performing their normal transportation services are under the daily scrutiny and control of the FAA, and also, greatly dependent upon rulings by the Civil Aeronautics Board.

The conflict-of-interest which exists because of the unique arrangement whereby the FAA, as "landlord," has tremendous influence everywhere in the United States over the airlines or "tenants" constitutes bureaucratic autocracy in its worst form.

Yesterday Mr. Halaby stated that, naturally, the FAA would have all the instincts natural of a landlord in wanting to retain proper tenants. Not only do the FAA and CAB have powerful weapons at their disposal to coerce the airlines to use Dulles Airport, but they flaunt these weapons openly to intimidate the airlines and to force them to use Dulles.

Evidence of such weapon flaunting was made clear last February 14 when the Administrator of the FAA and the Chairman of the Civil Aeronautics Board, appearing on the same platform, arbitrarily declared in a joint statement that all jet service to Washington will move through Dulles Airport.

Such arbitrary statements by the Chairman of the CAB, quite aside from the position of the Commissioner of the FAA, are in direct conflict with the Civil Aeronautics Act, for this autocratic position has been voiced by the CAB Chairman even before the CAB has conducted hearings for the public-convenience-and-necessity aspects of such flights being forced into Dulles.

By looking at any map of Maryland and Virginia, you will see that Friendship International Airport is in the center of the vast air-transportation market made up by the Washington-Baltimore metropolitan areas. The airlines, in planning their flights, through normal business judgment and economic considerations, want to be as close as possible to the center of any populated area.

If you use Friendship Airport as the center of a circle and extend the circle's radius 50 miles, you will see that two thriving metropolises, Washington and Baltimore, and at least 4 million people live within this area.

On the other hand, if you drew a similar circle with a 50-mile radius around Dulles Airport, it could easily be seen that less than one-third of the number of people reside within that area, and that the great bulk of this one-third, residing roughly in a segment resembling a slice of pie, extending from Dulles to Washington, also are within the 50-mile radius of Friendship Airport.

I think the Members of Congress should do everything possible to see that the airlines are not intimidated either directly or indirectly into using an airport which has considerable economic liabilities.

We remember, again, yesterday Mr. Halaby's statement of the very substantial increase in charges that will be made at Dulles over other existing and comparable airports.

From this point it might be well for the Members of Congress to explore what steps have been taken by the FAA in approaching the airlines and also how successful or unsuccessful the FAA has been in getting the airlines to agree to installing large operations at Dulles.

I have been advised that only two major airlines have agreed to take counter space, but apparently merely as a token gesture for, though they are major operators, one has contracted for 14 feet of counter space and the other for 15 feet.

Now we did hear testimony yesterday that several others had agreed. I do not have the precise information on that.

I think Congress should keep alert to this situation both with regard to the question of "public convenience and necessity" and the tactics employed by the FAA to seek tenants for its airport at Dulles.

Any decision by the Federal aviation officials to force the airlines to use Dulles Airport as their sole terminal for Washington jet traffic would be contrary to the authority granted to these agencies by Congress.

And this certainly would work a hardship on the traveling public located in parts of Washington and in the entire metropolitan area of Baltimore.

As Members of Congress we must recognize that the airlines are in the untenable position of not being able to speak out boldly against the stated position of the CAB and FAA on the compulsory use of Chantilly. It is our responsibility to see that the intent of the Civil Aeronautics Act is not abused by forcing the airlines to be unwilling tenants at an isolated, high-rent airport.

As a step in this direction, I urge the members of this committee to remove the FAA from the airport-operating business, an action which can be accomplished expeditiously and without disrupting present aviation activities in the Washington area through the enactment of H.R. 10471, introduced by me in the House on February 28, 1962.

Now, gentlemen of the committee, it is certainly not my intention to recommend the discontinuance of Dulles. We recognize the great expenditure that the taxpayers have there, the tremendous investment, but what we do ask, in all fairness, is that the people of this entire metropolitan area do receive the service that they are entitled to; that arbitrarily two Federal officials do not force airlines away from a very substantial airport which the citizens of Maryland have created at Friendship.

And in the overall picture we urge that the FAA wear one colored hat, that of a regulatory agency. They seek to be, in their own words, independent of Dulles.

Well, let's make them completely independent of Dulles and put Dulles and Washington National in the same boat as municipal airports are all over the rest of the United States.

Now, Mr. Chairman, I hope I have not burdened your committee with testimony too lengthy in nature. I know there are several spokesmen here from the Maryland community, a representative of the mayor of Baltimore and the Friendship Airport Board, the State Aviation Commission, the Baltimore Association of Commerce, and the Greater Baltimore Committee, and, with the chairman's permission, I know these people would each like to testify on this measure.

Mr. WILLIAMS. We intend to give them an opportunity to testify, of course, but before you leave there may be some questions.

Mr. Friedel.

Mr. FRIEDEL. Mr. Chairman, I want to compliment Mr. Brewster on a very fine and forthright statement.

I read an article in the local paper yesterday where it said that 14 airlines have signed up for Dulles at about 280 percent higher rates. And I am thinking out loud now, but I am wondering whether to invite representatives of these 14 airlines to appear before this committee, and whether they would testify or would be afraid to testify on how this agreement was reached.

I cannot imagine that an airline that has been losing money, and I am speaking particularly of major airlines, would make such a move which they, themselves, said will cost them \$1 million more to operate at Dulles than it does at Friendship, and they are 1 of the 14 going to Dulles.

I might pursue this a little later, Mr. Chairman, if they appear here, but I do not know whether they will admit they were coerced or not. It is inconceivable to think that they would undertake to spend \$1 million more while they are still losing money.

Mr. WILLIAMS. May I say, in response to that, that the committee is very sympathetic to the problems that are faced by the people of Maryland in connection with the building of the Chantilly Airport out here.

As far as the suggestion, made by my friend from Maryland, is concerned with respect to calling the airlines before this committee, I would think that the committee would not be too much interested in going on a fishing expedition.

But in the event some evidence of coercion on the part of the Government agencies is shown, of course, I feel that under those circumstances it would not only be the responsibility but the duty of the committee to take testimony along those lines.

And I would suggest that those who feel the same way that Mr. Friedel does, and as he and his colleagues do, should attempt to make some inquiry into this question, and if they can find evidence of coercion or improper acts on the part of Government agencies in working out this agreement with the airlines to use Dulles, then I can assure them that the committee will be very much interested in taking testimony along those lines.

Mr. FRIEDEL. Well, I wish to testify, too, in support of Mr. Brewster's bill, and I again want to compliment him.

He made a very fine statement, and I thought it got right to the very point; that is, taking the FAA out of the landlord business, out of rent concessions and other problems that they have, and creating this new Board to operate these airports.

I am wholeheartedly in favor of your bill, Danny.

Mr. BREWSTER. Thank you, sir.

Mr. WILLIAMS. Mr. Devine?

Mr. DEVINE. I, too, would like to add my commendation to our colleague from Maryland. It was a very clear and precise ABC type of statement that is readily understood, coupled with the fact that it is a clear demonstration that you are interested in your constituents in the State of Maryland and the facility that presently exists there.

I might invite your attention to the top of page 3 of your statement where you state:

Evidence of such weapon flaunting was made clear last February 14 when the Administrator of the FAA and the Chairman of the Civil Aeronautics Board, appearing on the same platform, arbitrarily declared in a joint statement that all jet service to Washington will move through Dulles Airport.

Now, perhaps the chairman has more information on this than I, but it is my understanding that the facilities here at Washington National Airport are such that, I guess, a turbojet is the only type of jet plane that can fly in there, contrasted with 707's and DC-8's and things like that; that the airport is not equipped to handle those large jets, but that they could be handled at Friendship as well as Dulles.

Now, would you say that this statement, that they would move to Dulles, would indicate discrimination against Washington National or discrimination against Friendship?

Mr. BREWSTER. This statement was made at a conference called by the dean of the Maryland delegation, George Fallon, and attended by our entire Maryland delegation.

They stated that the Washington market encompasses a great part of the State of Maryland; many parts infinitely closer to Friendship than to Dulles.

This would mean that anyone wishing to end up in Arundel County of Maryland, Montgomery County, or Prince Georges County, or any of southern Maryland, might say they want to go to Baltimore, but if they came in on a jet they would have to go to Dulles, and then be forced to drive for 1½ hours to get to their homes.

You are entirely correct, sir, that the discrimination would not be against Washington National, which is overcrowded now and inadequate for jet service. The discrimination would be against the traveling public that we consider to be in the Baltimore, Md., metropolitan area but which, arbitrarily, the CAB and FAA would say

is Washington, when Friendship is so much closer to the people in the market than Dulles.

Mr. DEVINE. Well, although \$100 million has been committed for expenditures, and Dulles is here to stay, I think that your testimony would indicate that you feel that it was a bit of bad judgment in even building that with Friendship available?

Would you go along with that statement?

Mr. BREWSTER. This decision has been made——

Mr. DEVINE. Yes.

Mr. BREWSTER. And we have the investment there and, as prudent people, we must utilize it.

My approach or my point is that we want to serve the entire metropolitan complex made up of two great cities, and the traveling public, and that clearly in 10 years there will be enough traffic to utilize both great new airports.

But, in the intervening 10 years, I say, do not unfairly penalize Marylanders, Baltimoreans, and the Friendship operation.

Let's cooperate and work fairly one with the other and utilize both airports. This will be more convenient.

It will certainly be safer, and the FAA can do a better job nationally if they are not housekeeping but if they are just policing.

Mr. DEVINE. I would ask you this very direct question in view of the testimony you have given.

Do you have any evidence whatsoever of any indication of coercion on the part of the FAA to any commercial or any scheduled airline to move from Washington National to Dulles?

Mr. BREWSTER. I have no definite event, statement, or letter, which I can bring to the committee's attention.

I do see that the very real danger necessarily exists under the governmental structure that we now have. I also point out to the committee what has happened in the past decade, that because of FAA's operation of Washington municipal, this airport has been badly crowded and has had serious accidents where a much larger and better facility for many years was not properly utilized which, under any fair distribution of traffic, would have been utilized for the convenience of the traveling public.

Mr. DEVINE. I think you have well pointed out in your statement the danger of the safety authority being also the operation authority, plus the very practical aspect of commercial airlines not being inclined to come before this committee voluntarily and say that this same controlling authority has also suggested that they move their facility to this new airport.

I am personally quite aware of the crowded conditions at this Washington National Airport, and since I have been in Congress I have made 112 flights in or out of this particular airport and on quite a number of occasions have been involved in the stacking that you mentioned here in your statement.

I recall one occasion being stacked for an hour and a half in zero instrument weather, and I happened on that occasion to be reading a book entitled "Crowded Skies." On those occasions we would have been very happy to get in the airport.

I think you have clearly pointed out that they had reached nearly a saturation point 10 years ago, and here with the faster and more modern and newer equipment in this present facility, the situation has aggravated itself in the intervening 10 years.

Thank you, sir.

Mr. BREWSTER. Thank you.

We have a serious problem here and the committee may want to address its thoughts in the future to some overall regional type of airport control where Friendship, Dulles, and Washington National, would be much more closely integrated together, and then the appropriate flights could be spotted around to one of the three.

But that goes a step further than I propose at this time.

Mr. DEVINE. I might say this, that in those 112 flights, on only one occasion has a flight terminated at Friendship, and that was for the reason that that equipment at that time was a DC-7, and there was some runway repair situation here that would not handle that large equipment, and that is the only reason that it was diverted into Friendship.

That is the only occasion that that particular flight has taken me to that airport.

Mr. WILLIAMS. Mr. Jarman?

Mr. JARMAN. Mr. Chairman, I would like to join in the tribute to our colleague from Maryland for his able presentation.

Do I understand that your bill, H.R. 10471, would transfer the administrative responsibility for the National Airport and for Dulles to a Washington Airport Board, the members to be appointed by the President?

Mr. BREWSTER. That is correct, sir. It is almost precisely what Mr. Halaby suggests, in essence, by setting up a corporation with the exception that the corporation, under his proposal, is under his thumb, a part of his operation and responsibility.

I say it should be separate and be nearly like municipal airport boards across all of America.

Mr. JARMAN. Thank you.

I have no further questions.

Mr. WILLIAMS. Mr. Brewster, I, of course, concur with my colleagues on this committee in commending you for a very excellent statement of your position in support of the bill which you introduced.

No one can serve with Sam Friedel on this committee very long without being informed of all of the problems that are attendant to the use of Friendship Airport, and all of us have a deep and abiding sympathy for these problems that you face at this airfield.

The fact remains, however, that whether for right or for wrong, some \$100 million has been invested by the Federal Government in constructing this new airfield for the use of Washington and its vicinity.

Now, I would like to inquire or to make several inquiries as to the mechanics of the so-called Board operation that you would like to set up in your legislation.

First, I would like to ask you, who owns Friendship International? Is it the State of Maryland or the city of Baltimore?

Mr. BREWSTER. The city of Baltimore.

Mr. WILLIAMS. Now, is it your purpose for the city of Baltimore to transfer title to Friendship International Airport to this board that would be set up?

Mr. BREWSTER. No, Mr. Chairman. My measure does not go that far.

The board that I propose merely will operate and control Dulles and Washington National. The Baltimore Airport Board would still be responsible for the administration of affairs at Friendship.

Now, the suggestion has been advanced, but I do not make it at this time and it is not covered in my proposal, that perhaps we should have a regional operation of all three. Maybe other witnesses will make that suggestion, but my bill does not cover Friendship.

Mr. WILLIAMS. It is not your intention for this Board to have any jurisdiction whatsoever over the operation of Friendship?

Mr. BREWSTER. None whatsoever.

Mr. WILLIAMS. Then, basically, what is the difference between the proposal made by Mr. Halaby and the proposal made by you, other than the fact, as I understand it, that your Board would not be responsible to the Federal Aviation Agency, nor would it be subject to control by the Federal Aviation Agency?

Aside from that, what is the basic difference between your approach and that taken by Mr. Halaby?

Mr. BREWSTER. Well, Mr. Chairman, there is this very fundamental approach: The board that I suggest would operate the two Washington airports as Friendship is operated by a board, as Chicago airports are operated by an independent agency there.

All are subject to FAA regulation, but Mr. Halaby, on page 2 of his statement, in the second paragraph, states that the Airports Corporation would remain under the policy direction of the Administrator of the Federal Aviation Agency.

At the same time, in the same statement, he says, "The more independent I am from running an airport, the better I am going to like it."

So I say, "Mr. Halaby, let's make you completely independent and take you out of the running of airports business, and you supervise the overall safety and supervise all airports under precisely the same regulations and not be able to give special favor to the one that is within your administrative duties."

Mr. WILLIAMS. Then, as I understand it, the purpose of removing the Federal Aviation Agency from having any jurisdiction whatsoever over the operation of the airport is based on a fear or an apprehension, I might say, that the agency itself, due to its interest in the airport, would use the power of its position to coerce and force airlines to use Dulles to the detriment of Friendship International?

Mr. BREWSTER. Well, that is certainly correct, sir, but it goes a little farther than this; to the detriment, yes, of Friendship, but that really is not so important as it is to the detriment of the traveling public in a tremendous metropolitan area, and to the detriment of the traveling public of America as a whole with reference to safety.

And, we have a clear historical precedent for what happens here at Washington Municipal Airport, where the FAA is the safety officer and is also the traffic manager.

We have had tremendous crowding, and we have had serious accidents which, I say, might have been avoided had they been entirely divorced from the operation of the airport, and they could be completely objective and not be in the position which they now are, and will continue to be, under existing law, of both prosecutor and jury.

Mr. WILLIAMS. It is quite obvious that for the next few years, until Dulles becomes self-sustaining, that it is going to require a funding from somewhere.

It is your purpose that the Congress should make appropriations to this Board for the operation of Dulles?

Mr. BREWSTER. That is absolutely correct, Mr. Chairman.

I believe that the Congress should keep a tight hold on the expenditure of Federal funds, and I would anticipate annual appropriations by the Congress to cover the deficit which must necessarily arise in the operation of the Washington Airports Board.

I certainly do not advocate giving this Board a right to draw on the Treasury without congressional approval.

Mr. WILLIAMS. I will say that I quite agree with you on that, whether it is a board or a corporation.

Do you have any further questions?

Mr. FREIDEL. No.

Mr. DEVINE. I would like to ask one more.

Mr. WILLIAMS. Mr. Devine.

Mr. DEVINE. Mr. Brewster, do you know whether there is any difference in the landing fees at Washington National and at Friendship?

Whether they be termed commercial or private, there is a landing fee?

Mr. BREWSTER. I do not have that information at my fingertips. I know from what we heard yesterday, and the newspaper articles, that the fees at Dulles are supposed to be 280 percent higher than the fees at Friendship.

The fees at Friendship now are 14 cents per 1,000 pounds of landing weight.

The fees at Washington Municipal—may I provide that for the record, Mr. Chairman?

Mr. WILLIAMS. I notice that in the schedule this morning we have Mr. Rudolph Drennan, representing the Maryland Aviation Commission, and also Mr. George Baker, representing the Airport Board of the Department of Aviation of the city of Baltimore.

I would be inclined to feel that they would be able to answer these questions much better than Mr. Brewster.

Do you have any further questions?

Mr. DEVINE. It makes no difference to me. I was seeking an answer. I do not care about the source.

Mr. WILLIAMS. I hope they will give us that information when they testify.

Do you have any further questions?

Mr. FREIDEL. No further questions.

Mr. WILLIAMS. Thank you very much, Mr. Brewster.

Mr. BREWSTER. Thank you, Mr. Chairman.

Mr. WILLIAMS. Our next witness, and I am very happy to recognize him, will be our colleague on the committee who has probably been the most persistent backer of Friendship International Airport

that we have in the Congress or, I am sure, even in the State of Maryland, and that is our colleague, the Honorable Samuel N. Friedel.

**STATEMENT OF HON. SAMUEL N. FRIEDEL, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MARYLAND**

Mr. FRIEDEL. Mr. Chairman, I want to thank you for your very complimentary remarks, and also thank the members of the committee.

I appreciate your kind cooperation in scheduling hearings on H.R. 10471, to establish the Washington Airports Board.

We who are supporting H.R. 10471 appreciate this opportunity to explain why this legislation is important not only to the residents of the Washington-Baltimore area but to the Federal Aviation Agency, the aviation industry and the taxpayers generally.

This bill is important to the Washington area because it will provide the area with more efficient airport administration and operation.

It is important to the taxpayers because it will mean a more economical and efficient operation of the area airports by people whose sole interest will be in providing airport service.

It is important to the FAA and the air transportation industry because it will give the Administrator and his staff more time to devote to the FAA, which was set up by Congress to promote safety in air transportation—and not to run airports.

The present system whereby the FAA builds and operates the Washington area airports has the FAA right in the middle of a very serious conflict of interest. The Agency enforcing safety is doing business, and big business, with the very people it is regulating. Congress would not stand for a situation like this anywhere else in the Government. Why permit it in the FAA?

The entire history of the development of Dulles Airport shows that the FAA should not be in the business of building and operating an airport. The history of Dulles is one of a long series of bad guesses, delays, and disagreements.

The FAA is more than a regulatory agency. The Administrator is charged by Congress with promoting and developing aviation. That may explain some of the frills and chrome at Dulles, such as the mobile lounges we have been hearing so much about.

Estimates of costs submitted to Congress have not even been good guesses. First we were told that an appropriation of \$14 million was needed. That was short more than \$100 million. Congress has already authorized more than \$25 million for a sewer system to serve Dulles and vicinity.

First, the Department of Commerce could not decide where to build the new airport. Plans have been drawn up and discarded. As I will show later, they started out with a plan for a regional airport for the Washington-Baltimore area. Then, as soon as Baltimore had built an adequate regional airport, the CAA came up with another plan.

Now, I am not blaming Mr. Halaby. This is not his fault. He wasn't around here then. He inherited this mess. But it is his responsibility now. He has to cope with it. What we are trying to

do is relieve him of this unwelcome inheritance so he can go about his job of regulating and promoting civil aviation.

We are not blaming him for the mistakes of the Department of Commerce, the CAA, and the FAA before he came on the scene. We are blaming the system which placed the responsibility for developing and operating an airport system on a regulatory agency.

We want to change the system. It would be interesting to know how much time Mr. Halaby has spent on this airport problem when he could have been devoting his great talents and experience to the job FAA was set up to do. Surely there is enough to do in developing an airways system and reorganizing the safety inspection activities of the FAA without having to be a part-time builder and real estate agent.

Mr. Halaby should welcome this opportunity to get rid of a "white elephant."

This legislation is important not only to the National Capital area but to the whole Washington-Baltimore area.

In trying to salvage something from the situation in which they find themselves, the FAA very well could disturb airline service to the whole area. They are going to do just that if any pressure is exerted on the airlines to transfer flights from Friendship to Dulles in violation of sound business principles that the place to provide the service is where the airlines find the customers.

But the FAA is anxious to start taking in money, and as much money as possible, to pay for this white elephant.

A look at the legislative history of Dulles before this committee and the Committee on Appropriations, will show that the people who built Dulles, on the basis of the record, have no business running this airport.

Let's start with the CAA's plan for a regional airport. The CAA's Washington and Baltimore Regional Airport Study of January 1949, had this to say about Friendship:

The overall master plan which guides the development provides for a satisfactory ultimate airport which will be capable of accommodating future air traffic peakloads for the entire Baltimore-Washington region, should such a need ever arise.

Now, I would like to make this one statement here, that this is the first year that Friendship is in the black. It was originally built primarily with funds from Baltimore City.

Even at peakload now it is only using about 50 percent of its capacity at the present time.

You will find this statement in the hearings of this committee on the bill to authorize a second Washington airport, which I have here.

Yet, a year after this report favorable to a regional airport was issued, the Department of Commerce came to Congress for authority to build another airport in the immediate vicinity of the District.

The bill passed in 1950—and that was before I was a Member of Congress—authorized an appropriation of \$14 million. In the hearings, the Administrator said the cost of the hangars, which would be revenue-producing and pay for themselves, might run the total cost up to \$24 million.

Up to now we have appropriated \$105 million for developing the new airport. In addition, more than \$2 million has been allocated for air navigation aids.

In the 1961 Independent Offices Appropriations bill, we appropriated \$2,450,000 for operating expenses. The 1962 appropriation has nearly \$2 million for operating costs.

And, we cannot see the end of the road. No one knows how much the finished job will cost.

I assume that this \$14 million was just a bad guess and not an intentional move to mislead the Congress. However, at the time we were considering an appropriation of \$12,500,000, in the supplemental appropriations bill on August 6, 1957, I made a statement for the record that the new Dulles Airport would cost \$75 million before it was completed. At that time some members felt I was just exaggerating because I felt Friendship should be utilized to full capacity.

Time has shown how right I was. Congress has already appropriated \$25 million dollars for a sewer system to serve Dulles Airport and vicinity. This is more than the original estimated cost of the entire airport. We have appropriated another \$13 million for access roads to get to Dulles, here again almost the amount we were told the entire airport would cost. In fact, the record will show that we have appropriated more than \$105 million to date for this new airport and the figures are still going up. This year \$3,400,000 has been requested for Dulles, and this is not the end. All I can say, gentlemen, is that the taxpayers are paying dearly for this new airport.

In the 1950 hearings, the FAA was talking about the urgent need for a new Washington Airport by 1955. Now there seems to be some doubt that the new airport will be ready this fall, 7 years later. Friendship has handled the traffic during this time, and handled it well.

And I might add that there is not a jet in use, and that includes the Cavalier and the Russian jets, that has not landed at Friendship Airport.

There is nothing we can do now about these delays and bad guesses but we can set up an independent board to run the Washington airports. It will be a board free to concentrate on the problems of running an airport and providing service to the public. It will not have to justify past mistakes or squeeze the airlines to get money to pay for those mistakes.

Baltimore is not asking for any special favors for Friendship Airport. We never have. All we want is to have a fair chance to serve the people of the Washington-Baltimore area. A majority of the people who use airline service in this area can be served more quickly and efficiently through Friendship than through an airport in a remote area across the Potomac in Virginia.

All we are asking is that nothing be done to force or coerce the airlines to move flights which are needed at Baltimore to Dulles just to provide revenue for Dulles. Public convenience should be the prime objective.

As Federal taxpayers, Maryland, as well as the other 49 States, have contributed to build Dulles and it is not fair to take business away from Friendship to pay for this white elephant.

All we want is to be left alone to provide good service to the public. We don't want to be penalized so the FAA can pay for a white elephant.

We believe an independent board to operate Dulles and Washington National Airport will provide protection both for the taxpayers and the traveling public.

I might add that we, in Maryland, are very much concerned about the FAA using—and I am guarding my words now as I would not want to say “coerce”—undue efforts to force these airlines to move from Friendship to Dulles.

And, believe me, they will not save any time. In fact, it will take longer from downtown Washington to go to Dulles than it takes to get to Friendship.

As I understand it, the CAB has set up a line which runs into Maryland, Prince Georges County, and Montgomery County, and they say that everything west of that should go to Washington National—this was years ago—and the rest should go to Friendship.

They are using the same yardstick for an airport that is 30 miles farther away. When they had that line for Washington National I could understand it. Now, if they move the line between Washington and Maryland from Dulles to Friendship you will find that it will be much closer to Friendship, much easier to get to Friendship, and we have good limousine service which is not expensive.

Right now we are taking care of things pretty well. We could even use more flights out of Friendship.

Of course, if the committee should decide—I mentioned this to Mr. Halaby yesterday—to give serious consideration to a Regional Airport Board, that would take in Washington National, Dulles International, and Friendship International, that might settle the whole problem, but it should be independent of the FAA; that is a regional board to take care of these three airports.

I want to thank this committee again for giving me this time to offer my statement.

Mr. WILLIAMS. Permit me to express our appreciation to our colleague on the committee for a very splendid statement.

I would hope, and I am sure the other members of the committee would hope, that adequate, reasonable use will be made of both of these airports and that one will not be operated to the absolute detriment of the other.

Now, I have some questions that I would like to pose to the gentleman from Maryland but inasmuch as he will be in executive session with us, when we reach that point on this legislation, I am certain that he will volunteer answers to any questions that might come to my mind, and in the interest of time I will not ask any questions.

Mr. FRIEDEL. Thank you, Mr. Chairman.

Mr. WILLIAMS. Mr. Springer?

Mr. SPRINGER. Yes.

May I say to the gentleman I certainly compliment him on the diligence with which he has pursued this matter through the years and the loyalty with which he has represented his own people.

I know of no Congressman who has done a more diligent job in representing his people in this manner than has the gentleman from Maryland. This thing has occurred time and time again.

Has the gentleman, himself, any concrete evidence by either undertaking it of his own accord or having someone undertake it, as to what the driving time is between downtown Washington, say, the Statler, and the Friendship Airport?

Mr. FRIEDEL. I can state it this way, that I remember one time this committee flew to Friendship, and we took limousines back to the New House Office Building.

The speed limit at that time was 55 miles an hour——

Mr. SPRINGER. And the gentleman did not exceed the speed limit, I take it?

Mr. FRIEDEL. What is that?

Mr. SPRINGER. I say, the gentleman is not going to testify on this occasion that he exceeded the speed limit?

Mr. FRIEDEL. No; but I want to say this: At that time it took us 41 minutes from Friendship to the New House Office Building, and I think we passed 9 or 13 traffic lights after we got off of the expressway, and we made every redlight.

So I think with luck we could have made it much quicker, and we kept within the speed limits, but since then they have increased the speed limit to 60 miles an hour.

Mr. SPRINGER. Now, at what time of the day or evening was it?

Mr. FRIEDEL. I think it was around noontime.

Mr. SPRINGER. Around noontime. And now, has the gentleman——

Mr. FRIEDEL. Or around 2 o'clock in the afternoon.

Mr. SPRINGER. Around 2 o'clock in the afternoon.

Has the gentleman any experience, say, in the traffic hours of from 4:30 to 6:30, or, have you had any experience in those hours?

Mr. FRIEDEL. The D.C. Transit Co. made a number of trips at various times during the day and they say it averages 50 minutes to Friendship but it is less during offpeak hours.

Mr. SPRINGER. The gentleman has not made any test runs from the same points to the new International Dulles Airport?

Mr. FRIEDEL. I have not personally, but D.C. Transit and the limousine service at Friendship have made such trips and it is my understanding that the average time from downtown Washington to Dulles is 50 minutes. Actually this is only an estimate since the new roads to Dulles are not finished. The Baltimore Airport Board has detailed figures and will present them to the committee.

Mr. SPRINGER. They have made tests?

Mr. FRIEDEL. Yes.

Mr. SPRINGER. Are you familiar with those and any provision to testify to them now?

Mr. FRIEDEL. Am I familiar with what?

Mr. SPRINGER. Are you familiar with the figures as a result of the tests?

Mr. FRIEDEL. No, I am not familiar with them.

Mr. SPRINGER. That is all, Mr. Chairman.

Mr. WILLIAMS. Mr. Devine?

Mr. DEVINE. I would like to take just a second or two to say that our colleague of Maryland is the most dedicated man I ever saw in the support of his airport at Friendship and his district.

I have noticed that for the last 3½ years any legislation coming before the committee that in any way remotely would affect Friendship, our colleague has brought the subject up and has fought consistently for Friendship.

I would like to ask one question.

Do you have any concrete evidence of any type whatsoever that would indicate either coercion or influence by the FAA on any airline or any commercial airline to transfer from Friendship or Washington National to the proposed air facility at Dulles?

Mr. FRIEDEL. No, I do not have any direct evidence of coercion.

Mr. DEVINE. Have you sought any?

Mr. FRIEDEL. I have talked to a few airlines and they told me they did not want to go to Dulles; that they were well satisfied with Friendship.

Now, I see that a few of those I have talked to are going to Dulles and one airline made an estimate that it will cost them \$1 million more to operate at Dulles than it will at Friendship.

Mr. DEVINE. I think we recognized from the reports of the various scheduled airlines that nearly all—well, maybe not all, but at least a number are operating at a substantial loss, in the millions of dollars, but the thing I am trying to get to is something specific that would indicate that they are being required, either by coercion or suggestion, to move into this new facility.

Mr. FRIEDEL. No, I do not have direct information of that, but I just cannot get it in my head that there was not some undue pressure put on them to make them pay 280 percent higher costs at Dulles than at Friendship.

Mr. DEVINE. Is it your understanding that they would provide a supplemental service; that is, that they would also be at Dulles and also at Friendship or that they would vacate Friendship in favor of Dulles?

Mr. FRIEDEL. Well, at this meeting, when we met with Mr. Halaby and Mr. Boyd, that Congressman Brewster referred to, we had Mr. Crane, of the Friendship International Airport Board, and all the Members of Congress were here present when they both said that all jet service will go to Dulles, but since then they have modified it somewhat.

We expect competition but we expect fair competition. We do not want the airlines to be badgered into going from Friendship to Dulles just because it is the most beautiful, most expensive airport in the whole world.

Mr. DEVINE. According to the statement of our colleague, Mr. Brewster, from Maryland, he said that on this occasion of February 14, that he said all jet service to Washington will move through Dulles.

Mr. FRIEDEL. That is what they said, all jet service to Washington would use Dulles. Now, the airlines are certificated to Washington and Baltimore. There is only one airline that I know of that is certificated just to the Washington area.

I think that is Braniff.

Mr. DEVINE. Well, this, of course, can be developed by later testimony.

Mr. FRIEDEL. That is the only airline that is certificated to Washington only. The others are certificated to both Washington and Baltimore.

Mr. DEVINE. I thank the gentleman.

Mr. FRIEDEL. You are quite welcome, and I want to thank you, Mr. Chairman.

Mr. WILLIAMS. Thank you very much, Mr. Friedel. Our next witness is our colleague from Maryland, Hon. Richard E. Lankford.

Mr. Lankford.

**STATEMENT OF HON. RICHARD E. LANKFORD, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MARYLAND**

Mr. WILLIAMS. We are very happy to welcome our colleague from Maryland, the Honorable Richard E. Lankford.

Mr. LANKFORD. Thank you, Mr. Chairman.

I appreciate the opportunity to appear before your committee this morning in support of H.R. 10471, introduced by my distinguished colleague and good friend, Congressman Daniel B. Brewster.

You are, of course, aware of the efforts of the entire Maryland delegation over the years to urge upon the Federal Government the adoption of a sane, safe, and businesslike approach to the extremely complex problem of providing additional air service for the Baltimore-Washington metropolitan complex. I am privileged to have within the Fifth Congressional District of Maryland, which I am privileged to represent, Friendship International Airport, one of the most modern and efficient jet airports in the United States.

I might add, that while this is a Baltimore city airport, and built by them and owned by them, it is within my district. As a matter of fact, it is within my home county.

In recent years Friendship International Airport has increased its services to the general public, and I believe has performed in a wholly satisfactory manner insofar as the participating airlines are concerned, particularly in the international travel and nonstop, coast-to-coast fields.

Unfortunately, prior to and during debate over the establishment of Dulles International Airport, the objections expressed by the Maryland delegation had little effect upon the Congress. The general impression seemed to be that we were endeavoring to receive unfair, preferential treatment for Friendship International Airport. Such was simply not the case. But we felt we had a clear duty to point out the numerous pitfalls that most assuredly would be encountered if administration officials insisted upon the location of a third major airport on the outermost fringe of the population to be served. Recent developments have certainly proved that we were right, in large part.

Let me once again repeat that I am not suggesting even remotely, that Friendship International Airport be given a preference by the enactment of H.R. 10471; but let me say that I cannot condone preferential treatment for Dulles just because the Federal Government happens to be the owner and manager. Today, Friendship offers far more convenient service to residents of Montgomery and Prince Georges Counties than service contemplated by Dulles. It is serving

equally well those residents of the western portion of the District of Columbia. Quite obviously, it serves the residents of Baltimore City, Anne Arundel County, and southern Maryland, far more efficiently than can ever be the case with Dulles. The growth story of the coming decade will be in southern Maryland.

I have had the opportunity to examine the extremely fine statement submitted to the committee by Mr. Charles P. Crane, of the Friendship International Airport Board, and would like to subscribe fully to his views at this point.

It is difficult for me to believe that this committee will permit the continuation of the situation where the Federal Aviation Agency primarily responsible for air safety, which involves a multitude of highly technical operations, serves as the business manager for Washington National Airport and Dulles International Airport. This represents a legalized conflict of interest of the largest magnitude I have even encountered during my time here in the Congress. We all agree, I am sure, that air safety must be a primary concern of the FAA. It is for this reason that I wholeheartedly support the Brewster bill, for by its passage not only will air safety techniques be greatly improved in this region, but present unfair competitive advantages now created by an instrumentality of the Federal Government will be eliminated. The people then will continue to have the right to choose that facility which best serves their needs.

I would like to add here, in response to the questions put by Mr. Devine to my colleagues who have appeared before me, that it was stated to us on February 14 that any airline, wishing to be certified to Washington, would use Dulles Airport.

Now, you can call that coercion or whatever you want to call it, but that was the statement that was made to us.

That concludes my statement, Mr. Chairman.

Mr. WILLIAMS. Thank you, Mr. Lankford.

Of course, because of the fact that we serve on the committee with our colleague, Mr. Friedel, naturally we hear from him a little bit more often than we do the others, but I can assure you that he has no monopoly in battling for the interests of Friendship International.

You have been very active in this yourself and together, I think, you and Mr. Friedel have done a magnificent job.

Mr. LANKFORD. Thank you.

Mr. WILLIAMS. I have no questions.

Mr. Springer?

Mr. SPRINGER. I do not know whether you were here yesterday when Mr. Halaby testified. Were you here at that time?

Mr. LANKFORD. No, sir, I was not.

Mr. SPRINGER. I do not know whether you were here yesterday when to one of Mr. Friedel's questions that, he thought there would be some loss of passenger service in and out of Friendship immediately after Dulles International Airport was opened.

And he said that at the time that Friendship first came into being there was some loss at Washington National. Through the years this evens out, apparently.

Now, his statement, as I understood it, was in simple terms this, that he felt that when Dulles International Airport first came into being, there would be a loss both to Washington and Friendship, but

that ultimately that would be recouped and all three of them would grow.

Now, my question is simply this: Have you talked with them sufficiently to have any knowledge whereby you can verify that statement?

Mr. LANKFORD. No. I believe that in our February 14 meeting that this was essentially what Mr. Halaby said, and from what I can gather, with air traffic growing, there will be ultimately a need for all three airports and possibly a fourth one—we do not know—because air traffic is growing every day.

The difficulty that we will encounter is that in the Washington metropolitan area, and a great portion of that being in my district, Prince Georges County which I think the gentleman is familiar with, and Montgomery County, that is physically closer to the city of Washington than it is to Baltimore, and people not familiar with the area, coming into this metropolitan part, would naturally take a ticket on an airline to Washington, not realizing that an airline certified to serve Washington, according to Mr. Halaby, will have to go to Dulles which is completely on the other side of town, across the river, and way off in the woods somewhere.

And so this will serve to the detriment of the flying public. It is misleading that they should have to go to an airport on the other side of town when they could go to Friendship International which would be within a half hour of a great mass of people and within a half hour of a growing industrial complex, particularly in the fields of electronics and research and development firms which are utilizing this area to the east of Washington more and more every day.

Mr. SPRINGER. Is it your thought, Mr. Lankford, that with the Federal Government operating these two airports, and with Friendship operating under its own separate authority, that preferences will be given merely by virtue of the setup to Washington and Dulles International Airport?

Mr. LANKFORD. Well, again, I will go back to the February 14 meeting that we had with Mr. Halaby and Mr. Boyd and, in all fairness to Mr. Halaby, he said he did not set up Dulles Airport, that he inherited it. And I feel sorry for him.

He has my deepest sympathy. But he said that it is his job to put it on a paying basis.

As my colleague, Mr. Friedel, said, I want to be very careful of my words. I am sure that a man of the integrity and caliber of Mr. Halaby would not take unfair advantage.

However, it is his job to make Dulles Airport pay if he can, and unconsciously he is going to do everything he can to make it pay.

Mr. SPRINGER. You think he is going to try to make Dulles International as attractive as possible?

Mr. LANKFORD. He will get all the business into Dulles that he possibly can.

Mr. SPRINGER. Now I come to the meat of the question.

Is it your position and Mr. Friedel's, and the other members of the Maryland delegation, that if you have an independent tripartite body which, in essence, has control of all three airports that you will get a fair shake under those circumstances?

Mr. LANKFORD. Well, no, that is not the intent of this bill.

This bill sets up an Airports Board completely divorced from the FAA to manage Dulles and Washington National. It does not include Friendship.

Friendship has its own board which operates it, created by Baltimore City.

It is our contention that if this bill passes, the Washington National-Dulles complex, and the Friendship Airport would then be competing on an even basis without the weight of the FAA, CAB, and the U.S. Government behind one of them, you see.

Mr. SPRINGER. And that would be true if Dulles would be financed by the Federal Government?

Mr. LANKFORD. This is true, and do not forget this, that it is serving the Federal city.

It is serving the city of Washington and the Federal Government contributes to the financing of the city of Washington.

Baltimore financed and has contributed to the financing of Friendship International.

Mr. SPRINGER. You are not contending, are you, that the city of Washington contributed anything to the Dulles Airport?

Mr. LANKFORD. I did not say the city of Washington. I said that the Federal Government contributes to the city of Washington, which is the Federal city, the seat of government.

Dulles Airport was theoretically put there to serve the city of Washington. Therefore, it should be on the same basis as Baltimore City's airport, Friendship.

Mr. SPRINGER. That is all, Mr. Chairman.

Mr. WILLIAMS. Thank you very much, Mr. Lankford.

Mr. LANKFORD. Thank you very much.

Mr. WILLIAMS. The next witness is our colleague from the State of Maryland, the Honorable George H. Fallon.

Mr. Fallon.

STATEMENT OF HON. GEORGE H. FALLON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. FALLON. Mr. Chairman and members of the committee, I appreciate this opportunity to appear here this morning.

I would like to tell the committee that I am in favor of H.R. 10471, because I feel that a regulatory agency not be in a position where there would be a continuing cloud of suspicion due to the pursuit to regulate, and that it could be thought by a lot of people, especially the people who are interested in this bill, that they could use persuasive powers due to the regulations that they are in a position to hand down, to persuade airlines to give up their stations in Baltimore and to make the Dulles Airport pay.

Now, I have a telegram this morning from people in Baltimore that I would like to read. It is just a very short one:

Suggest Government subsidy void to financially depressed commercial airlines if they can afford 280-percent increase landing Chantilly.

It does seem strange, if we are to subsidize an airline to pay a larger subsidy so that they can pay a higher cost if they transfer over to Dulles Airport. We feel that Baltimore has gone to a lot of expense over the years.

I think there first was a \$15 million bond issue to build this airport, and it has only been in the last year or so that they have been able to come out of the red due to the foresight of building these long runways to take of the jetplanes, and they have given the type of service that the people in Maryland want, the people who ride airplanes.

We feel that Maryland should not be considered a part of the section that would cater to Dulles when they are much closer in time and travel to the Baltimore or Friendship Airport.

Mr. Chairman, I have tried to sum it up as closely as possible to just how the members of the Maryland delegation feel about this threat to what we think is one of the safest and outstanding airports in the country.

Mr. FRIEDEL (presiding). Well I want to compliment the dean of the Maryland delegation, Congressman Fallon, for his very precise statement.

You realized that there are quite a few other witnesses, and so you got right to the meat of the thing.

I want to thank you very much.

Mr. Springer?

Mr. SPRINGER. Mr. Fallon, would you read that telegram again, please?

Mr. FALLON (reading):

Suggest Government subsidy void to financially depressed commercial airlines if they can afford 280-percent increase landing Chantilly.

Mr. SPRINGER. Who signed that?

Mr. FALLON. W. B. Eppler, 12 Blywood Road, Baltimore, Md.

Mr. SPRINGER. How much percent did you say?

Mr. FALLON. What?

Mr. SPRINGER. How much percent?

Mr. FALLON. 280-percent increase.

Mr. SPRINGER. I know how deeply the gentleman is interested in the proper maintenance of Friendship Airport. Has there been any thought given to the proper identification, through some kind of an investigation, of the fact that the people on that side of the town can get to the airport quicker than they can to, we will say, Dulles International Airport, or is it the feeling of your delegation that the flights that go out are going to be more and more varied at Dulles International than they are at Friendship?

Mr. FALLON. Well, of course, the people of Montgomery County and Prince Georges County, and this northeast section of Washington have now been using the Friendship Airport because of the flights that they have going out of there and coming in.

If those flights are transferred there is no use advertising that they can get the flights. If the flights move, the people are going to move.

Mr. SPRINGER. All right. Now, let's take it as of the present time.

Is it the gentleman's feeling that the flights that go out of Washington, go out of Friendship, are substantially comparable as far as service is concerned?

Mr. FALLON. Well, of course, the flights that I am talking about mainly now are the jet flights.

There is no place in this area where you can get a jet flight except Baltimore, at Friendship, and if those flights are moved, naturally, the people are going to move with the flights and—

Mr. SPRINGER. Now, how many flights are there in and out, approximately, of Friendship in 24 hours?

Mr. FALLON. I really could not tell you.

Mr. SPRINGER. How many jet flights?

Mr. FALLON. Jet flights? I do not have the information. The only ones I know about are the ones I use.

I think there is somebody here who represents the airport board, who can give you the number of flights of passengers.

Mr. SPRINGER. Can you stand up and identify yourself if you have that information?

These are jet flights I am speaking of.

Mr. BAKER. I am George Baker, Jr., representing the Airport Board of the Department of Aviation of the City of Baltimore.

Fifty-five a day.

Mr. SPRINGER. A total of—

Mr. BAKER. A total of 55.

Mr. SPRINGER. Now to the gentleman from Maryland again:

Is it your fear or your feeling that a substantial portion of these 55 flights is likely to be transferred to Dulles?

Is that your problem?

Mr. FALLON. Yes. I have heard speculation that half of the flights may be transferred to Dulles, not because it would be more efficient, not because it would be near the people who use the flights, but because they want to make the Dulles Airport as near self-supporting as possible.

Mr. SPRINGER. Now, just this last question: By setting up the Board in the Brewster bill, is it your feeling that under that kind of an arrangement you would get a fairer deal than you would if it is retained in the FAA, either as at present or by the formation of the Corporation recommended by Mr. Halaby?

Mr. FALLON. Well, I wouldn't say that we would get—I would think any Board would give everybody a fair deal. That would be the type of people that would be selected for that Board.

But this would also move or remove the cloud of suspicion that a regulatory agency can force an airline to move from one airport to another because the same people land in airports all over the country and, as was used, I think with very mild language, with persuasive methods.

Mr. SPRINGER. Off the record.

(Discussion off the record.)

Mr. SPRINGER. I believe that is all.

Mr. FRIEDEL. Mr. Devine?

Mr. DEVINE. Just one question. Other than the meeting of February 14, and its indication that the jet service would move to Dulles, do you have any other evidence, concrete or otherwise, of any coercion or influence exerted by the FAA on any airline?

Mr. FALLON. I think it was Mr. Halaby who said that he would do everything in his power to see that the Dulles Airport would have or would get business.

Mr. DEVINE. You have talked to no airline people who have indicated this?

Mr. FALLON. No.

Mr. DEVINE. Thank you.

Mr. FRIEDEL. Thank you, Mr. Fallon.

Mr. FALLON. Thank you. In addition to my brief comments, I have a prepared statement in support of Mr. Brewster's bill, which I shall appreciate your including in the hearing record.

Mr. FRIEDEL. Your prepared statement may be included at this point in the record.

Mr. FALLON. Thank you, Mr. Chairman.

(The prepared statement of Mr. Fallon follows:)

STATEMENT OF HON. GEORGE H. FALLON, A REPRESENTATIVE IN CONGRESS FROM
THE FOURTH DISTRICT OF THE STATE OF MARYLAND

Mr. Chairman and members of the subcommittee, in the interest of the air-traveling public, the Federal Aviation Agency should be relieved of responsibility for the operation of the Washington National Airport and the Dulles International Airport. This should be done not only for the convenience of the public but also for the good of the Agency. H.R. 10471 will accomplish this end in a most satisfactory manner. A five-member Board would be created, whose sole responsibility would be the operation of these two airports. This Board would be an independent agency and under such a body the Washington National and Dulles International Airports would be placed in the same position vis-a-vis the FAA as all other airports.

A regulatory agency should not have the responsibility of developing and operating the facilities which it is designed to regulate. The principal functions of the FAA are to regulate air commerce to promote its development and safety and fulfill the requirements of national defense; to promote, encourage, and develop civil aeronautics; to control use of the navigable airspace of the United States in the interest and efficiency of both civil and military operations; to consolidate research and development relating to air navigation facilities, and the installation and operation of such facilities; and to develop and operate a common system of air traffic control and navigation for both civil and military aircraft. The agency is charged with fostering sound economic conditions and coordinating air transportation to promote efficient service by air carriers at reasonable charges without unjust discrimination, undue preference or advantage, or unfair or destructive competitive practices, to assure sound development of air transportation which is properly adapted to the needs of foreign and domestic commerce, the postal service and national defense, and regulating air commerce in a manner to best promote development and safety. The FAA is thus primarily a regulating agency and not an operating agency. Separation of responsibility for operating the National Capital airports from the administration of the FAA would assure more efficient operation of Washington National and Dulles International Airports and more careful attention to air traffic and safety matters by the FAA.

A regulatory agency should not be in a position such as to permit any of its actions to be suspect. Removal of responsibilities from the FAA to an independent board for the operation of the Washington National and Dulles International Airports would remove any grounds for accusations that the FAA uses its regulatory power to persuade airlines to use Dulles rather than Friendship Airport for service to the metropolitan area around Washington and Baltimore. The airlines which must negotiate with the Agency with respect to operations at Dulles Airport must also negotiate with the FAA respecting their operations at all other airports. If they incur the displeasure of the Agency their operations in the entire country could be jeopardized. So long as the FAA owns and operate these facilities, which it also regulates, there will be room for suspicion that Dulles is being unduly favored and enjoys unfair competitive advantages by virtue of ownership and operation by the Federal Government.

The city of Baltimore built Friendship Airport at a location which is suitable for serving the air transportation needs for the majority of the people in the area. Most of the Baltimore-Washington metropolitan population is nearer Friendship than Dulles. Service geared to the convenience of the traveler would require service through Friendship Airport. The problem of certificating airlines to serve Washington and Baltimore should be resolved on a regulatory basis and not with regard to competition between Dulles and Friendship Airports. The large jet airplanes cannot operate from Washington National Airport and service has been provided through Friendship. When Dulles Inter-

national goes into operation later this year it will be designated as the airport through which airlines must serve Washington. Many airlines would prefer to continue at Friendship where the costs to them are much lower than the proposed fees at Dulles. The airlines are at a disadvantage in negotiating with the FAA concerning charges as compared with the operating agencies for other airports. FAA is not an ordinary airport operator and is immune to local political pressure often enlisted by the industry to avert unwanted airport charge increases. Airlines are forced to go along with airport operators on any increases in fees or charges at major traffic generating points. Airlines are not in position to openly oppose compulsory use of Dulles as a terminal for Washington air service. Some 50 percent of the contracts of airlines with airports expire this year and higher fees at Dulles may lead to higher fees at others, with cities looking to airports as revenue producers as a way to avoid extra taxes.

Many municipal officials say that airports must be put on a self-sustaining basis with revenue sufficient to establish reserves for future replacements and betterments. Communities cannot be expected to vote bonds to add to runways, etc. Runways cannot be made self-sufficient but maintenance facilities can be and terminals are really moneymakers. Airlines produce the market for other airport revenue and should only pay costs which cannot be recovered any other way. Earnings should be such that future growth could be provided from this source. Unless there is traffic in and out of the airport there will not be revenues to operate the facilities. The city of Baltimore, which owns and operates Friendship Airport, cannot condone preferential treatment to Dulles International on the basis that the Federal Government owns and manages the latter. Friendship Airport at periods of peak traffic at present is only operating at 50 percent of available capacity.

If arbitrary action is taken to require airlines to use Dulles Airport for all Washington traffic, requiring jet operations to move to Dulles, this action would be arbitrary and contrary to the authority granted the regulatory agency. To preclude the possibility of any such action, or suspicion of such action, the operation of the Dulles International Airport, along with the Washington National Airport, should be placed in the hands of a Board as provided by H.R. 10471, which would be entirely independent of the FAA except for the regulatory authority which that agency exercises over all air transportation service and all airports in the country.

Mr. FRIEDEL. I think we will call on Mr. George Baker, of the Airport Board of the Department of Aviation of the City of Baltimore, and he is also representing the Hon. Harold Grady, mayor of Baltimore City.

Mr. Baker.

STATEMENT OF GEORGE BAKER, JR., ON BEHALF OF THE AIRPORT BOARD OF THE DEPARTMENT OF AVIATION OF THE CITY OF BALTIMORE, MD., AND ALSO ON BEHALF OF THE MAYOR OF BALTIMORE, MD.

Mr. BAKER. Mr. Friedel, and members of the committee, I appreciate this opportunity to appear before you today.

I am presenting this statement on behalf of the Airport Board of Baltimore City in the absence of Mr. Charles P. Crane, its chairman, whose absence from the hearings is caused by a commitment of several months' standing to serve as chairman of a group of 25 businessmen who are visiting various European cities to stimulate international trade and seek firsthand information concerning developments in the European Economic Community.

Our airport board, speaking for the municipal officials of Baltimore and in behalf of trade associations, residents, and businessmen not only in the Baltimore metropolitan area but also in the central

section and Eastern Shore of Maryland, strongly recommends divorcing from the jurisdiction of the Federal Aviation Agency the operating control of Washington National Airport and Dulles International Airport at Chantilly, Va. We do not believe that the Federal Aviation Agency has any more business operating an airport than the Interstate Commerce Commission would have in operating a railroad.

We do not believe H.R. 7399 will accomplish this end and, consequently, we respectfully oppose its enactment for this reason and also because it provides channels for beclouding uneconomic financial results incident to the operation of Dulles Airport by the FAA contrary to the intent of Congress in appropriating funds for that project.

We recommend enactment of H.R. 10471, introduced by Maryland Congressman Brewster, but would like to see the measure amended in the manner that will be explained by the next speaker, Mr. Grimm. These amendments in nowise alter the basic objective of Mr. Brewster's measure, but we believe would strengthen its purposes and enhance its effectiveness.

It seems appropriate to explain why our board and the interests whom it represents recommend so strongly relieving the Federal Aviation Agency of the operating control of airports and permitting that organization to concentrate its activities upon the extremely vital basic functions for which it was formed, namely, devising, effecting, supervising, and enforcing safety of air travel and the equipment and facilities pertinent thereto.

We submit that the growing volume and complexities of air travel alone justify the exclusive concentration of the Federal Aviation Agency toward preventing repetition of commercial airplane accidents such as those whose fatalities have appalled the public and whose causes are seldom fully explained by the FAA.

The Agency has not, in our opinion, shown itself qualified to plan, design, or manage airports. To amplify, the Agency, during the 9-year period 1950-58, resisted all efforts to lighten the traffic overload at its Washington National Airport by permitting some of its flights needed to serve persons and businesses in and around Baltimore and contiguous areas to use Friendship Airport. During that period hundreds of thousands of Baltimoreans and other Marylanders were forced to travel to and through Washington for even the most elemental air service.

The present inadequacy—notwithstanding some additional service at Friendship beginning early in 1961 as a result of CAB hearings initiated by Baltimore interests—is evidenced by the fact that there are only 38 daily flights between Friendship and New York as contrasted with 206 daily flights between Washington National and New York.

The situation that existed during the 9-year period is disclosed by comparison of passengers throughput at the two airports:

From 1950 to 1954, total air passengers served through the Washington National Airport ranged from 1,600,000 to 3,100,000 annually, whereas the total number served through Friendship International Airport ranged from 136,000 to 305,000. During the period from 1955 to 1958 the total number ranged from 3,600,000 to 4,800,000 annually for the Washington National Airport and from 327,000 to 388,000 for Friendship International Airport.

The highly deleterious effect of denying reasonable service to Baltimoreans and Marylanders through Friendship Airport may be traced to a retardation of air travel development in this area which is now being corrected since advent of commercial jet planes in 1959. Inasmuch as Washington National Airport was not designed to handle large jet planes, all such traffic is being routed through Friendship, whose runways were designed to handle the present maximum size jets and even larger planes when they become available. It is pertinent to note the rapidly developing traffic at Friendship since the beginning of 1959.

The total number of air passengers at Friendship during 1959 was 541,000. In 1961 it was 1,136,000.

A projection of the traffic of the first 3 months of 1962, on the ratio basis of the preceding year, indicates a passenger throughput of nearly 1,900,000 in 1962. While such a figure absorbs only a portion of Friendship's capacity, rumors have been rife of traffic near-misses at Washington National, and many travelers have expressed disinclination to land or depart from that airport because of "stacking up," "baggage delays," and other hazards and inconveniences.

Nothing in this recital, in our opinion, reflects creditably on the ability of the Federal Aviation Agency to control and manage airports. Nor does the deplorable record of that organization in the projection, design, or construction of Dulles International Airport of Chantilly, Va. Located on the outer periphery of a circle enclosing the 4 or 5 million population in the Washington-Baltimore metropolitan complex, it cannot possibly serve residents of both cities. For residents in the eastern section of the Nation's Capital, and in those populous suburban areas of Maryland to the north and east of Washington, it would be an unnecessary waste of ground travel time to use Dulles instead of Friendship.

To illustrate, recent ground travel test runs by bus, limousine, and private automobile have been made from points in the Washington area to Friendship and to Chantilly, Va., over the best available routes in each case. The tabulated times for the Virginia airport make allowance for use of the as yet uncompleted access road instead of slower routes presently available. Further, it should be noted that the 15-minute trip from terminal building to planeside by "mobile lounge" at Chantilly is not required at Friendship where passengers enplane and deplane immediately adjacent to the terminal building. Results of the test runs from various points, adjusted to a "planeside" basis by adding to ground travel times, 20 minutes for time in the terminal building at each airport—purchasing tickets, confirming reservations,

et cetera—and 15 minutes for mobile lounge travel at Chantilly not required at Friendship, are:

Travel time to Friendship Airport and Chantilly, Va., from various points in the Washington area

[In minutes]

From—	To planeside at—		Saving in time to planeside at Friendship
	Friendship	Chantilly, Va.	
Mount Rainier.....	65	110	45
Cheverly.....	40	121	81
Seat Pleasant.....	52	121	69
Hyattsville.....	57	120	63
Riverdale.....	54	128	74
College Park.....	57	130	73
Silver Spring.....	75	111	36
New bus terminal, 12th and K Sts. NW., Washington, D.C.....	70	85	15

It may be observed that these savings in time to planeside at Friendship relate to heavy road traffic periods which generally occur at the same time as the greatest demand for air service.

We also have them for nonpeak road traffic periods.

For airline companies, an unnecessary expense would result if they were coerced into transferring their flights from Friendship to Dulles merely, as Mr. Halaby has said publicly, "because Dulles is the National Capital's airport."

Mr. Halaby has reported that aircraft landing fees of 42 cents per 1,000 pounds of weight have been set for Dulles, of which 12 cents is for use of the mobile lounge, and that the airlines "will certainly sign" contracts at that price. That is nearly three times the 14 $\frac{3}{4}$ cents charge at Friendship. In fact, the charge for the mobile lounge at Dulles of 12 cents is only 2 $\frac{3}{4}$ cents less than the total charge at Friendship. For ticket office space in the terminal building, the FAA is said to be asking \$12 per square foot per year which is 2 $\frac{1}{2}$ times the comparable rental at Friendship.

I don't think anyone could make more clear the harmful effect of the FAA operating airports than did Mr. Halaby himself at a press conference a few months ago when, as reported in Nation's Business, February 1962, he said that if the airlines prefer to continue using existing airports "there are various ways in which they will be persuaded" to move to Dulles. And to further point out the difference between the FAA and an independent agency operating airports, he said:

"They are trying to treat me just like any other airport owner, and they can't get away with it. This is a threat."

Mr. Halaby told you yesterday that no undue pressure would be used to force airlines to shift to Dulles. I would merely answer that by this question: "Does an uncaged lion have to roar to frighten you?"

Let me hasten to add that I use the lion by way of analogy to the FAA running airports, and not personally to its director. One of the jobs of the operator of Dulles, or any other airport, is to attract business, and no matter how hard the FAA might try to be fair it would still be an uncaged lion, by virtue of its dual and conflicting roles.

The attitude of the FAA in this matter is further illustrated by recent letters written by the Agency's General Counsel. For example, in one of them, to the CAB, dated January 26, 1962, the FAA's Counsel stated:

* * * we respectfully request on behalf of the Administrator of the Federal Aviation Agency, that the Civil Aeronautics Board notify Braniff Airways, Inc., that the Board's approval of the use of Friendship International Airport by Braniff Airways, Inc., for jet flights serving Washington is limited to the period until Dulles International Airport is in operation.

Our board believes there is nothing in this highly partisan and uneconomic pattern which tends to support the belief that the FAA should be authorized to manage airport operations.

As a matter of fact, it is our understanding that the Congress was led to believe, by what have proved to be misleading and erroneous estimates of air traffic growth, that a third airport Dulles would be required to serve the Washington-Baltimore complex by the mid-sixties.

For a further viewpoint on the unwisdom of diluting FAA's attention to its highly important safety responsibilities, one should review that Agency's almost unbelievable series of changes, revisions, and delays which have cost the Federal Government so enormously in proceeding with the Dulles project. The grossly inadequate estimates of cost, repeated appeals to Congress for financial rescue, and the ultimate design which has evoked so much criticism from the airlines which will be called on to use Dulles, certainly offer no support for allowing the FAA to negate the impartiality of its regulatory powers and obligations and to "own" and manage or improperly influence use of the same class of facilities as those which they are sworn to regulate fairly and equitably for others. As Mr. Phil Swatek, public relations chief of the FAA stated last February, "There isn't anybody in our Agency, the FAA, who thinks we ought to have this much leverage on the airlines and still be running an airport."

In closing, let me add this. We ask no special favors, as Mr. Friedel has already told you. We are not afraid of competition from Dulles if the competition is kept on a fair plane. But if the airlines have to deal with the FAA they have their operations throughout the entire country in jeopardy. It is not fair competition for a Government agency, by occupying dual and conflicting roles, to force, or shall we say "persuade," airlines to accept unnecessary financial burdens, or to impose on the public unreasonable inconvenience through neglecting a nearby airport, fully capable of giving adequate service at low rates, in order to force the use of a more remote facility, improperly located, enormously expensive, and not needed for perhaps another decade.

The Airport Board is deeply grateful for your giving me the opportunity of presenting this statement. We will be glad to supply any further information that you may desire.

Mr. WILLIAMS (presiding). Thank you, Mr. Baker.

Mr. Friedel?

Mr. FRIEDEL. I want to thank you, Mr. Baker. We have other witnesses and I was presiding at the time and I called you out of line because I thought that there would be pertinent questions as to the driving time to Dulles.

I want to thank you for your very, very, very fine statement.

Mr. BAKER. Thank you very much.

Mr. WILLIAMS. May I inquire as to this: This information on the driving time to the two respective airports, is that based on the highways as they are now constituted?

Is that correct?

Mr. BAKER. No, sir, they are based on the highways to Friendship, as they now exist, but allowance was made for the new super highway that you will have to Chantilly.

As a matter of fact, we used a bus company, the Baltimore & Annapolis Bus Co., and the airline limousine people, and they managed to get on the new expressway to the extent that it was completed.

And these times represent what it would take when the new expressway is completed to Chantilly.

Mr. WILLIAMS. In other words, these are projected times?

Mr. BAKER. Yes, sir.

Mr. WILLIAMS. Mr. Devine?

Mr. DEVINE. No questions.

Mr. WILLIAMS. Thank you, Mr. Baker.

Mr. BAKER. Thank you.

(The following letter was submitted by Mr. Baker as a supplement to his statement:)

CITY OF BALTIMORE,
DEPARTMENT OF LAW,
Baltimore, Md., May 9, 1962.

HON. JOHN BELL WILLIAMS,
Chairman of Subcommittee on Transportation and Aeronautics, Committee on Interstate and Foreign Commerce, Washington, D.C.

DEAR MR. CHAIRMAN: First of all, I would like to again thank you for the opportunity of permitting me to testify last Thursday on behalf of the city of Baltimore and the Baltimore Airport Board in opposition to H.R. 7399 and in favor of H.R. 10471.

There are a few additional matters that I would like to add to my testimony. Specifically, I would like to comment on two points made by the Honorable Alan S. Boyd in his testimony last Friday, to call your committee's attention to a constitutional point, and to present the position of the Baltimore Airport Board on the suggestion made by the State aviation commission relative to the appointment of a Presidential Study Commission. I trust that you will not object to my writing this letter and would appreciate your including it in the record as a supplement to my testimony.

The two points made by Mr. Boyd to which I refer are: First, that airlines certificated to serve Washington will be required to do so out of Dulles Airport and those certificated for Baltimore will use Friendship Airport; and, second, that the traveling public will make the decision as to whether to use Dulles or Friendship.

The first point completely begs the question. Prior to 1959, over 90 percent of the flights needed to serve the Washington-Baltimore complex were scheduled from Washington National Airport. That great disparity of traffic could not be justified then even though Washington National Airport was more convenient than Friendship to the majority of people in the Washington-Baltimore area. Clearly there would be no justification for now shifting the traffic to Dulles Airport by designating it as Washington traffic, since Friendship Airport is more convenient than Dulles to the majority of people in the Washington-

Baltimore area. In fact, it has been demonstrated by test runs that from the new bus terminal at 12th and K Streets NW., Washington, the time to planeside at Dulles Airport (even allowing for the new access road) is 15 minutes longer than the time to planeside at Friendship Airport, and the time to planeside from cities in Montgomery County and Prince Georges County range from 36 to 81 minutes longer to Dulles Airport than to Friendship Airport. The question then, is what airport will be designated for flights needed to serve those persons in southern and western Maryland, northern Washington and other areas who will find it more convenient to use Friendship than Dulles. Mr. Boyd did not say that service will be provided for them through Friendship, and the inference is that he plans to serve them through Washington. I would suggest that Mr. Boyd be asked to state unequivocally whether the traveling public will be served at the most convenient airport.

Mr. Boyd's second point, that the traveling public will make the decision as to whether to use Friendship or Dulles, also fails to touch the issue. If the public could make the decision we are convinced that Friendship would keep most of the flights it now has because, as mentioned before, Friendship is more convenient than Dulles to the greater number of the traveling public in the Baltimore-Washington complex. But the public would have a choice of airports only if equal flights were available at both airports; otherwise, the public must either use whichever airport has an available flight, or travel by other means. Since the airlines will not find it economically feasible to duplicate services at each airport, they will select one of the airports. It has already been made clear that the airlines will not have freedom of choice if the FAA operates Dulles Airport.

Past history certainly indicates that the desires of the traveling public were not served with the FAA controlling Washington National Airport, although the FAA and its Administrator are charged by law with the duty of the "promotion, encouragement, and development of civil aeronautics." Prior to 1959, Friendship Airport was almost idle and its modern terminal building was often referred to as a mausoleum. Hundreds of thousands of Baltimoreans were forced to travel for even the most elemental service to the Washington National Airport which was then, and is to an even greater extent now, so congested with flights that complaints of stacking and baggage delays are common. The grossly inadequate air service at Friendship and the resentment of our people over being forced to lose time and undergo expense in going to Washington have been largely instrumental in retarding the development of air travel in this area. Yet it was not until the advent of jet service for which the runways at Washington National Airport were inadequate that any flights were transferred to Baltimore.

A further fact to be considered in connection with H.R. 7399 is that there might well as a delicate constitutional question involved. In assuming the power to regulate an industry the Federal Government must do so in a manner that does not discriminate against anyone in that industry. It would seem to be beyond question that the mere possession of broad regulatory powers over the aviation industry, including airlines and airports, while at the same time operating airports in competition with other airports would, by its very nature, give rise to discrimination even though no overt acts or threats should be exercised by it.

In concluding, I would like to state that the Baltimore Airport Board does not agree with the suggestion of the State aviation commission that as an alternative to immediate action on H.R. 10471, a Presidential study commission be appointed to plan development of carrier service at the three airports in the Baltimore-Washington area. For the reasons already stated by me and others at the hearings, we think it is imperative that the FAA be taken out of the business of operating airports, regardless of what plans any study commission might propose for development of air service.

Very truly yours,

GEORGE W. BAKER, Jr.,

Mr. WILLIAMS. Our next witness will be Mr. Karl Grimm, on behalf of the Association of Commerce.

Mr. Grimm.

**STATEMENT OF KARL GRIMM, ON BEHALF OF THE ASSOCIATION
OF COMMERCE, BALTIMORE, MD.**

Mr. GRIMM. Thank you.

I have a very short prepared statement on behalf of the Association of Commerce which I would like to read, and then I would like to make a few additional comments in light of the several questions that have been asked here this morning.

My name is Karl J. Grimm. I reside at 5001 West Hills Road, Baltimore, Md. I am transportation director of Baltimore Association of Commerce, Baltimore, Md., and appear here by direction of the association's executive committee to state the position of the association on H.R. 7399 and H.R. 10471.

Baltimore Association of Commerce is the principal business organization in the city of Baltimore and has its office at 22 Light Street in Baltimore. For more than 20 years the association has maintained an aviation department, under a full-time director, for the purpose of promoting aviation services for the city and the Baltimore metropolitan area. During that time it has actively participated in numerous proceedings before the Civil Aeronautics Board in support of more adequate service for the people of the city, through the city's harbor field, and now Friendship International Airport.

The association is concerned that the opening of Dulles International Airport may result in the diversion of flights now adequately serving Baltimore and Washington through Friendship, with resulting inconvenience to the traveling public and at increased expense to the airlines.

Our staff has made a thorough study of both H.R. 7399 and H.R. 10471. At a meeting of the executive committee of the association, held on May 1, 1962, the committee directed me to state the following position with respect to these bills:

(1) Baltimore Association of Commerce endorses section 2 of H.R. 10471, which provides for the creation of a five-member Board, appointed by the President, by and with the advice and consent of the Senate, and responsible only to Congress, for the future operation of Washington National and Dulles International Airports.

(2) Baltimore Association of Commerce opposes H.R. 7399 in its entirety, because the Corporation therein proposed to be created would be subject to the direction of the Administrator, Federal Aviation Agency.

3. Baltimore Association of Commerce recommends that H.R. 10471 be amended by the addition of a new section providing, in substance, that the entire cost of the acquisition and construction of Dulles International Airport be amortized out of operating income from that airport only, after payment of expenses of operation and maintenance, within a reasonable period of time, to be fixed in the discretion of the Congress.

That ends the prepared statement.

We were quite interested in the testimony of Mr. Halaby yesterday in which he indicated his intention to amortize approximately \$73 million of the cost of Dulles Airport over a period of 30 years. We

think that is a very laudable objective and strongly urge that such a provision actually be written into the statute so that there is no misunderstanding about it, and there is no opportunity for any future Administrator to change his mind about it.

There have been some questions asked with respect to this question of coercion or persuasion, and I think that a brief statement of what the situation is with respect to the jet services that are now using Baltimore might be helpful in apprising the committee of the manner in which that pressure could be exercised.

At the present time, as you know, all jet service for Baltimore and Washington is being handled at Friendship Airport. The airlines operating those flights have filed with the Civil Aeronautics Board what are known as airport notices, in which they announced their intention to provide jet service for Washington through Friendship International Airport.

The CAB has approved each application as it has been filed, and I do not believe that there are any flights now utilizing Friendship which are not protected by an airport notice of this kind.

We have reason to believe that if the airlines are left to their own devices that they would prefer to allow those airport notices to stand and to offer service for Washington and Baltimore both through Friendship Airport.

As I say, CAB has approved those airport notices, but it can readily be seen that there is an opportunity there to attempt to persuade the airlines to withdraw those airport notices so that then the only airport that they could use to offer jet service to Washington would be the Dulles Airport.

We have already seen one instance in which there has been an effort made to bring pressure of that kind. That is when Braniff Airlines, which is actually not certified to serve Baltimore, filed an airport notice of this kind, and the FAA strongly urged the CAB to make it clear to Braniff Airlines that this airport notice or permission to use Friendship would be limited only to the temporary period until Dulles opened, and that then Braniff would be forced to withdraw that notice and move to Dulles.

I cannot urge upon the committee strongly enough our feeling that some provision should be put in any bill which is passed, governing the operation of the Washington airports, a provision requiring amortization in some fashion of the cost of construction of Dulles Airport over a reasonable period of time.

We are very grateful to have had the opportunity to present our views, and we wish to thank the committee for that privilege.

Mr. WILLIAMS. Thank you very much, sir. I have only one question that I would like to ask you, and that is with respect to recommendation No. 3 made by you in your testimony.

It would appear that you are recommending, in addition to the enactment of H.R. 10471, that the cost of acquisition and construction of Dulles International Airport be amortized out of the operating income from that airport only.

Mr. GRIMM. Yes, sir.

Mr. WILLIAMS. In other words, you are suggesting that there be no interconnection between Washington National and Dulles?

Mr. GRIMM. That is correct. We feel that both airports should stand on their own bottoms.

Mr. WILLIAMS. Well, if that is the premise of your statement then what is the purpose of setting up a Board to operate the two airports?

Mr. GRIMM. Well, as I personally conceive the Brewster bill, it would set up this Board for the purpose of operating the two airports under the basic enabling legislation of 1940, which established Washington National and which the FAA is now operating it under, and the act of 1950, authorizing Dulles Airport, under which the FAA will administer that airport under the existing law.

And I think that it appears to be the intent of the Brewster bill that this basic enabling legislation would still stand and the Board would be governed by each statute.

And we feel that both of the enabling statutes are more or less self-sufficient for the purpose.

Mr. WILLIAMS. Mr. Friedel?

Mr. FRIEDEL. No questions at all. I just want to thank you. We will be watching the CAB about these certificated airlines.

We will watch them very closely.

Mr. GRIMM. We are watching them very closely, too, Mr. Friedel.

Mr. DEVINE. No questions.

Mr. WILLIAMS. Thank you very much.

Our next witness is Mr. Rudolph Drennan, representing the Maryland Aviation Commission.

I am advised by my good friend and colleague, Mr. Friedel, that Mr. Drennan has very graciously agreed, in order to assist in expediting these hearings, to permit his statement to be included in the record in its entirety.

Is that correct, Mr. Drennan?

Mr. DRENNAN. That is correct, sir.

Mr. WILLIAMS. We appreciate that very much.

Incidentally, the bells have already rung for a quorum in the House, and we would like very much, if possible, to conclude this phase of the hearings this morning.

So, on behalf of the committee, I would like to express our appreciation to you for your assistance.

Mr. DRENNAN. That is all right.

Mr. WILLIAMS. There being no objection, Mr. Drennan's statement, along with an excerpt from the report on Friendship International Airport by the special study commission, appointed by Governor Tawes at the request of the legislature, will be included in its entirety in the record at this point.

(The statement of Mr. Drennan together with the excerpt referred to follow:)

STATEMENT OF STATE AVIATION COMMISSION OF MARYLAND

This statement of position is presented by the State Aviation Commission of Maryland and concurred in by the following members of the Friendship International Airport Study Commission of the State of Maryland:

Andrew Heubeck, Jr., secretary, Board of Public Works, State of Maryland.

James J. O'Donnell, director, State Planning Department, State of Maryland.

James G. Rennie, director, Department of Budget and Procurement, State of Maryland.

Russell H. McCain, executive assistant to the Governor of the State of Maryland.

Charles B. Allen, chairman, State Aviation Commission of Maryland.

The two bills being considered by your committee have been reviewed in detail by the State aviation commission and the members of the Friendship International Airport Study Commission referred to hereinabove.

H.R. 7399, cited as the "National Capital Airports Corporation Act of 1961", simply creates an instrumentality of the Federal Government, defines its duties and powers and designates that the Corporation under the direction of the Administrator of the Federal Aviation Agency shall own and operate the Washington National Airport and such other federally owned civil airports in the District of Columbia or its vicinity as may be transferred to the Corporation under this act.

H.R. 10471 cited as the "Washington Airports Act of 1962" establishes an agency of the United States to be known as the Washington Airports Board. This act recognizes that there should be a distinction between the regulatory and management responsibility in the operation of federally owned civil airports. It creates the appropriate Board and defines its duties.

It is the considered opinion of the two groups represented in this statement that first consideration must be given to the recognition of the fact that scheduled commercial air carrier service should be developed for the entire Baltimore-Washington complex. In contemplation of the future and ultimate growth of air carrier transport service in this complex, it is absolutely necessary to consider the three major airports which will serve the area for the foreseeable future, namely, Washington National Airport, Washington International Airport and Friendship International Airport.

It is also the considered opinion of the two groups represented in this statement that consideration must be given to the tremendous responsibility that all those concerned with these airports must have for the huge sums of money which have been invested by the Federal, State, and municipal governments and by the private interests in the operation of airports and the related industries.

This group concurs in the feeling of many that there should be a definite distinction between the regulatory and management responsibility concerning the operation of the two airports designated as being those designed to serve Washington alone. However, the group is of the definite opinion that you cannot divorce the responsibility for the control of the programing, scheduling and planning for the air traffic service to the Baltimore-Washington complex without giving full consideration to the three airports, rather than just the two.

Any program, however, designated for the distribution of present traffic and for the ultimate growth of air traffic in the Baltimore-Washington complex must of necessity give full cognizance to the many factors which affect the air carrier service to those air traffic markets lying within the Baltimore-Washington complex. These factors include such important elements as population distribution; accessibility, with particular emphasis on access time rather than distance; present and forecasted future origin and destination of air passengers; coordination of airspace use and activity, with particular emphasis given to the safety aspect of such use both for the present and for the future; the economics of air carrier service from the standpoint of not only airline operations but also from passenger convenience and service; and other similar functions which relate to the ultimate development of the three airports which are capable of serving the Baltimore-Washington complex presently and for many years in the future.

It is further the opinion of this group that the elements which control the present programing and scheduling of air carrier service in the Baltimore-Washington complex should be void of the competitive aspect of the operation of the three airports; however, they should be based upon those factors heretofore cited which will create adequate service to the complex as well as fulfillment of passenger safety, demands, and convenience.

In order to realistically establish the foundation for the ultimate safe development of air carrier service in the Baltimore-Washington complex, we respectfully recommend that this committee table, for the time being, the two bills under consideration and in lieu thereof request the President of the United States to appoint a study commission to be termed "the Baltimore-Washington Air Carrier Survey Commission." The makeup of this Commission, it is sug-

gested, should be the Administrator of the FAA, the Chairman of the CAB, a member of the House of Representatives Committee on Interstate and Foreign Commerce, a representative of the State of Maryland, a representative of the State of Virginia, a representative of the city of Baltimore, a representative of the government of the District of Columbia, a representative of the domestic air carriers and a representative of the U.S.-flag international air carriers.

The duties of this study commission should be to analyze the present air carrier service demands for the Baltimore-Washington complex; to establish the pattern of growth for the foreseeable future of the air traffic service into the Baltimore-Washington complex; and to recommend the basis for service to the three airports serving the complex; such basis to serve as the foundation for the ultimate growth of the three airports until such time as additional airport facilities may be required. The study commission should report its findings to the President of the United States, including recommended method and plan for the proper control and development of air carrier service into the Baltimore-Washington complex.

While we feel very strongly as we have stated that the first consideration should be given to the entire Baltimore-Washington complex, we nevertheless feel just as strongly that the operation of the airports in Washington must be separated from the regulatory bodies, i.e., the FAA and the CAB. It is just not logical for an operator of an airport, or any other public utility, to be the authority in making rules and regulations for himself and all others in the industry.

Gentlemen, we appreciate very much the opportunity to come before you to express the position of the State Aviation Commission of Maryland, and members of the Friendship International Airport Study Commission of the State of Maryland whose names appear in this statement.

EXTRACT FROM REPORT ON FRIENDSHIP INTERNATIONAL AIRPORT BY THE SPECIAL STUDY COMMISSION APPOINTED BY GOVERNOR TAWES, AT THE REQUEST OF THE LEGISLATIVE COUNCIL

In consideration of the future air traffic service to Baltimore through Friendship, no review of the problem could be fruitful without giving full cognizance to the entire Baltimore-Washington complex. In appraising this overall complex, certain important elements have come to the attention of the commission. These are set forth below:

(1) For the immediate future there will be three airports serving commercial air traffic in the region, namely Friendship, Washington National, and Washington International.

(2) Estimated traffic which served as a basis for development of Washington International Airport by the Federal Government, indicated a total enplaned passenger volume of 8,834,000 passengers for the Baltimore-Washington complex by 1975. In order to operate the three airports with financial success, and maximum efficiency and convenience to the public, it is the opinion of the commission that a realistic and reasonable pattern for air carrier development in the Baltimore and Washington areas must be initiated.

(3) The airspace requirements for the Baltimore-Washington complex are critical and will become even more so in the immediate future. In addition to the airspace problems of the three air carrier airports, the condition is further aggravated by the location of Andrews Air Force Base and other military airport facilities close by.

(4) The airspace problem further indicates the immediate need for basic planning and programing of traffic serving the Baltimore and Washington areas for the present, as well as for the future, in order to establish a pattern which will permit the proper future development in a safe and efficient manner. The safety aspect of air carrier operations is all-important and cannot be overlooked in any sensible evaluation of the public's needs for air service.

(5) In the development of the future air service to the Baltimore and Washington areas, the economics of air travel must be given full consideration. These economics involve the length of air carrier route structure, the time of travel, the service rendered, and the economy of airport operations.

(6) Planning and programing for the air carrier service development must take into consideration the two basic markets involved. The Washington market is of a singular nature being the center of the Nation's governmental activity;

whereas, the Baltimore market represents the larger volume of population and is also the industrial center of the whole Baltimore-Washington complex.

It has been concluded that a detailed program is required for the development of air carrier service to the Baltimore-Washington complex, and the area which it can best service. This program must be designed for the safe, economic, and efficient growth of the air carrier traffic. It is further concluded that this program should be based upon a detailed survey and report prepared by qualified experts in the field of aviation. It is recommended that such a survey and report be prepared which will establish a reasonable and logical pattern for the development of air carrier service to the Baltimore-Washington area. This report must consider the following basic elements of the problem: analysis of the air carrier market, including origin and destination studies of present traffic; the service areas, air cargo requirements and potential, the economics of air route structures and airline operations as affected by the geographical location of the airports, an analysis of the airspace problem insofar as it affects the development of air traffic in the Baltimore-Washington complex, all other elements of a similar nature which will affect the safe development of air carrier service during the growth of the traffic from the present to such time as saturation is reached.

Mr. WILLIAMS. Our last witness this morning is Mr. William Boucher.

**STATEMENT OF WILLIAM BOUCHER III, EXECUTIVE DIRECTOR,
THE GREATER BALTIMORE COMMITTEE, BALTIMORE, MD.**

Mr. BOUCHER. I will be very quick, Mr. Chairman, and I will not even sit down.

We are here to support the Brewster bill. We are here to advise the committee that, in our opinion, there is, by the very nature of the present operation, coercion.

There has been coercion exercised upon the airlines to move from Friendship to Dulles.

To my personal knowledge the airlines have represented to us repeatedly that they did not desire to move; that they do not consider there is a market for three airports at this time, and that if they move it is because the power of the CAB and the FAA coerced and forced them to move.

Thirdly, we believe that the time has now come for Baltimore and the FAA and the CAB to stop fighting. The time has now come for us to look at this as a regional airport problem as the best way to serve the interest of the public, and if we can move from the enactment of the Brewster bill to the consideration of a regional airport board, the public, who after all are the only ones we should really consider, can best be served.

Thank you.

Mr. WILLIAMS. Thank you very much.

Mr. Devine?

Mr. DEVINE. If Mr. Boucher has specific evidence of coercion by the FAA I wish that he would at some future time submit it for the record.

Mr. BOUCHER. I would be glad to do that; yes, sir.

Mr. GRIMM. It was the intention of Mr. Baker to present, as attachments to his statement, suggested amendments to the Brewster bill incorporating the recommendations that are made.

I am told that they have not been submitted to the committee, and I would like the privilege of submitting them for the record within the next day or so by mail.

Mr. WILLIAMS. The record will be kept open for a reasonable length of time following the conclusion of these hearings, and if there is no objection I am sure we will be happy to receive them.

Mr. GRIMM. We will also submit to the committee a copy of a letter from the General Counsel of the FAA to the Civil Aeronautics Board with respect to this Braniff situation.

Mr. WILLIAMS. The committee will be very happy to receive it.
(An excerpt from the letter mentioned above may be found on p. 142.)

Mr. WILLIAMS. Mr. Brewster?

Mr. BREWSTER. With the Chairman's permission, I would also like to submit for the record a copy of a letter from the General Counsel of the FAA to Mr. Boyd, of the CAB, with reference to the use of Dulles and Friendship by Eastern, whereby the CAB is directed that the FAA will not certificate Eastern to use Baltimore after Dulles has been completed.

Mr. WILLIAMS. Let it be received for the record.

(The letter referred to appears on p. 165.)

Mr. BREWSTER. Thank you, Mr. Chairman.

Mr. WILLIAMS. The committee will adjourn until tomorrow morning at 10 o'clock, when we have scheduled Chairman Boyd, of the Civil Aeronautics Board, and Mr. Carlton C. Massey, representing the county executives of the Fairfax government, Fairfax, Va.

Mr. BAKER. Mr. Chairman, I have the proposed amendments if I may submit them now.

Mr. WILLIAMS. Just submit them to the reporter and they will be made a part of the record.

(The amendments referred to follow:)

STATEMENT OF GEORGE W. BAKER, JR.

The following proposed amendments to H.R. 10471, 87th Congress, 2d session, introduced by Mr. Brewster, are suggested for consideration. References to lines and pages are to the official print of the bill:

(1) Strike the symbol "(c)" (line 7, page 3) and insert in lieu thereof "Sec. 3."
(2) Strike subparagraphs (d), (e), and (f) of section 2 (line 17, p. 3 to line 4, p. 4) and substitute the following:

"Sec. 4. In the exercise and performance of its powers and duties under this Act, including the determination of rates and charges for use and services, the Board shall consider that it is in the public interest to operate each airport transferred to it by or under this Act, on a self-sustaining business basis, consistent with sound commercial practice and with due regard to all costs and interests on the Government's investment: *Provided*, That, for the airport constructed under the Act of September 7, 1950 (64 Stat. 770), fees, rentals, and user charges shall be fixed in such amounts that the Board, beginning on June 30, 1964, and on June 30 of each year thereafter, shall pay into the Treasury of the United States out of such income only, an amount sufficient to amortize, on or before June 30, 1994, the entire cost of acquiring land, construction and maintenance for said airport, as expended for such purposes from appropriations of the Congress prior to June 30, 1964, with interest thereon from the effective date of each appropriation."

(3) In lieu of subparagraphs (d), (e), and (f), section 2, (line 17, p. 3 to line 4, p. 4), insert the following:

"Sec. 5. In addition to the duties and powers conferred under the Act of June 29, 1940 (54 Stat. 686), and the Act of September 7, 1950 (64 Stat. 770), both as specifically amended by this Act, the Board shall have the following general duties and powers:

"(a) To adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law;

"(b) To adopt, alter, and use an official seal, which shall be judicially noticed;

"(c) Subject to the civil service and classification laws, to appoint and fix the compensation of such officers and employees that may be necessary to carry out the duties vested in and imposed upon the Board under this Act;

"(d) To accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, made in aid of any of the purposes herein authorized;

"(e) It shall make an annual report to the Congress on or before January 15 in each year, which report shall contain detailed information with respect to the work performed by the Board during the preceding fiscal year."

(4) Sections 3, 4, and 5 should be appropriately renumbered as sections 6, 7, and 8.

(5) Delete subparagraph (b), section 5, (lines 8-12, p. 6).

(6) Add the following:

"Sec. 9. This Act shall be construed in pari materia with (a) the Act entitled 'An Act to provide for the administration of the Washington National Airport, and for other purposes', as amended, approved June 29, 1940 (54 Stat. 686), and (b) the Act entitled 'An Act to authorize the construction, protection, operation, and maintenance of a public airport in or in the vicinity of the District of Columbia', as amended, approved September 7, 1950 (64 Stat. 770)."

The basic purposes of the proposed amendments are: (1) To write into the statute the previously expressed desires of the Members of Congress in debates and committee reports on appropriation bills for the Dulles Airport, that the U.S. Treasury be reimbursed for the entire cost, within a reasonable period of time, out of income from its operations, plus the statements in committee hearings on such bills by General Quesada and Mr. Halaby expressing their concurrence in this desire as a general principle; and (2) to provide that so far as financing is concerned, Washington National Airport and the Dulles Airport shall be treated as separate entities.

The first purpose is expressed in the proposed section 4. It is believed that by June 30, 1964, the traffic trends at Dulles Airport will be adequately established, and that the 30-year period of amortization thereafter is sufficient.

The second basic purpose is accomplished in part by proposed section 4, the amendments to the Washington National Airport Act and the act authorizing Dulles Airport, set out in sections 3 and 4 of the original bill (H.R. 10471), and the proposed amendment adding section 9 to this bill. The net effect would be that the Board will be governed by H.R. 10471, and in addition the act of June 29, 1940, governing Washington National Airport, and the act of September 7, 1950, governing Dulles International Airport. It is believed that the two latter acts, as specifically amended by H.R. 10471, are appropriate for the purpose.

Section 4(b) of H.R. 10471 (lines 8-12, p. 6), reads as follows:

"(b) The provisions of this Act shall not affect any proceedings pending before the Administrator of the Federal Aviation Agency at the time this section takes effect, but any such proceedings shall be continued before the Washington Airports Board."

This wording will have the effect of transferring to the Washington Airports Board all proceedings before the Administrator of the Federal Aviation Agency having to do with all matters within his jurisdiction having nothing to do with the operation of the two airports involved in this bill, and for this reason should be deleted.

The remaining suggested amendments can be termed "housekeeping" amendments.

Mr. BAKER. I would also like to submit a photostat of an article from "Nation's Business" which I quoted and which Mr. Halaby quoted.

Mr. WILLIAMS. You mean as an appendix to your testimony?

Mr. BAKER. Yes, sir, and also a photostatic copy of an article in The Sun of February 15, 1962, covering the meeting between the Maryland Congressional delegation and Messrs. Halaby and Boyd.

Mr. WILLIAMS. Let them be received in the record.

(The photostats referred to follow:)

[From Nation's Business, February 1962]

THIS IS A THREAT

Few Federal officials have ever made the vast difference between Government and private operation of a business quite so clear as has Najeeb E. Halaby.

The Federal Aviation Agency, which Mr. Halaby heads, is building Dulles International Airport 27 miles from Washington, D.C.

Since this airport is to serve the Nation's Capital, no pennies have been pinched. Originally estimated at \$85 million, the total cost is now figured at \$110 million.

Dulles will also differ from most other airports because the Government, through the FAA, will retain full operating control. After 11 years of planning, discussion, and construction, it's expected to open in October.

Mr. Halaby thus finds himself a landlord who will soon have a luxurious property for rent, but no tenants signed up.

Any other builder would have to get busy seeking prospects, advertising rental rates, and negotiating with anyone interested in the space.

Mr. Halaby instead demanded that airlines serving the Washington area tell him how much terminal space they would rent. The airlines complied by agreeing on how they would split up the available space but, so far, have not committed themselves because they don't know what they would have to pay for it. The FAA has never supplied definite figures.

Mr. Halaby, describing airline negotiators as "armored gladiators," has insisted he would deal only with top company officials. Furthermore, if the airlines prefer to continue using existing airports, "there are various ways in which they will be persuaded" to move to Dulles.

Mr. Halaby's attitude is familiar to countless businessmen who must deal with Federal agencies or become entangled in their regulatory processes—whether in agriculture, communications, or an airport.

For those who might not be familiar with the differences between the way Government and business operate, Mr. Halaby explains:

"They are trying to treat me just like any other airport owner, and they can't get away with it. This is a threat."

[From The Sun, Feb. 15, 1962]

JETS WILL GO TO CHANTILLY, AGENCIES SAY—FAA, CAB HEADS TELL MARYLANDERS FRIENDSHIP WILL LOSE

(By Stephen E. Nordlinger)

WASHINGTON, February 14.—The two top Federal aviation authorities emphatically stated today that airline service to Washington will be through the new international airport at Chantilly, Va., starting this fall.

The authorities told officials from Baltimore that Friendship International Airport will not serve any longer as Washington's airport for jet traffic.

The warning came from Najeeb E. Halaby, Administrator of the Federal Aviation Agency, and Alan S. Boyd, Chairman of the Civil Aeronautic Board.

CONGRESSMEN, OFFICIALS TOLD

They spoke at an informal hearing called by Maryland's seven Congressmen to determine the impact on Friendship of the new airport, scheduled to open in October.

In attendance were Mayor Grady, Charles P. Crane, chairman of the Baltimore Airport Board, and representatives of business interests in Baltimore.

The hearing, marked by several sharp, heated exchanges, took place in the Interstate and Foreign Commerce Committee room in the new House Building.

FRIENDSHIP AIDED BY JETS

Friendship, 8 miles from Baltimore and 27 from Washington, has benefited considerably since the advent of the commercial jet age in 1959, because jet carriers were not allowed to land at the relatively small Washington National Airport.

Baltimore's airport, which suffered economically in its first years, became Washington's airport for jet service. Its business boomed.

The Congressmen and Baltimore officials and business leaders fear now that the new airport, known unofficially as Dulles International Airport, 32 miles west of Washington, will divert a large slice of jet traffic from Friendship.

FEARS GET OFFICIAL BACKING

In large part, these fears were substantiated at today's hearing by the Federal officials.

Mr. Halaby and Mr. Boyd left no doubt they felt strongly that the airlines would prefer to use the new airport in serving Washington.

"Friendship is not Washington's airport," Mr. Boyd declared.

"There will be a loss to Baltimore when Dulles opens. Service to Washington is going through Chantilly."

"Do you think this is going to happen despite the fact that Friendship is closer to Washington, and more economical for the airlines?" Representative Lankford asked.

"Yes," Mr. Boyd replied.

He said Dulles "will be the best airport in the Nation, the safest and with less fire hazards and noise. It will have better runways and better communication and navigation systems."

Mr. Boyd and Mr. Halaby mentioned the prestige value of Dulles as "gateway to the Nation's capital."

Both men stated that the airlines serving Washington would be encouraged by the Dulles management to use the new airport, which will be operated by the Federal Aviation Agency.

DENY IT WILL BE COERCION

Under close questioning, they denied that the Federal agencies would coerce airlines to divert traffic to Dulles from Friendship.

Some of the Congressmen suggested that the agencies might use their regulatory power as a means of favoring Dulles, which cost the Government \$105 million to build.

"You are going to encourage them to use Dulles and you've got the means to do it," Mr. Lankford charged.

"Not really," Mr. Boyd answered.

"AS OBJECTIVE AS WE CAN"

"Well, Mr. Halaby does." He denied this.

"I don't think the CAB will force the airlines to go to Chantilly," Mr. Boyd said.

"WILL BE BEST IN NATION"

"We hold no brief for any particular airport. We are completely dedicated to the public service and try to be as objective as we can."

Mr. Halaby said his agency would not use its regulatory power "to the advantage" of the new airport.

The Civil Aeronautics Board regulates airline service. The Federal Aviation Agency supervised other aspects of commercial airlines and in addition owns Washington National and Chantilly Airports.

Mr. Halaby said he would "do anything" to separate his regulatory function from his job as landlord of the two airports to avoid charges of favoring his own projects.

He denied published reports that quoted him as stating that because of his Federal role he was not to be treated as any other airport owner.

This statement, reportedly made last December in New York, was taken to mean that he was threatening the airlines to make them use Dulles Airport.

Mr. Halaby said he meant that the airlines had "not been willing" to reserve space at Dulles Airport because they were trying to bargain for lower rates.

"None of them as yet have committed themselves to use the airport," he said. "We are negotiating with them now. We don't have a fee set as yet."

TAWES SENDS MESSAGE

Governor Tawes sent a message to the hearing stating he hoped that the Dulles management would use only "fair competitive methods" to attract airlines.

Mr. Boyd and Mr. Halaby told the Congressmen that the airlines and not the Federal agencies would decide what airport was most beneficial to serve Washington.

Mr. Boyd said an airline could not abandon service at Friendship without approval of the CAB after a public hearing.

Mr. Crane, the airport board chairman, noted that it takes less time to drive to Friendship than to Dulles and that the rates to the airlines to use Friendship are lower.

MAYOR NOT DISCOURAGED

After the hearing, Mayor Grady said he was not discouraged. He said he would bend every effort to prevent the airlines from discontinuing service to Baltimore.

All of the Maryland Congressmen except Representative Johnson attended the hearing. Also present were representatives of the Baltimore Association of Commerce and the Greater Baltimore Committee.

Senator Beall sent his executive secretary. All the members of the airport board attended the meeting.

Mr. BAKER. Thank you.

Mr. WILLIAMS. Thank you very much.

The committee will stand adjourned until 10 o'clock tomorrow morning.

(Whereupon, at 12:15 p.m., the committee recessed, to reconvene at 10 a.m., Friday, May 4, 1962.)

THE JOURNAL OF THE AMERICAN MEDICAL ASSOCIATION

The Journal of the American Medical Association is published weekly, except on Sundays, and is the only medical journal in the United States which is published by a non-profit-making organization. It is the only medical journal in the United States which is published by a non-profit-making organization. It is the only medical journal in the United States which is published by a non-profit-making organization.

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NATIONAL CAPITAL AIRPORTS

FRIDAY, MAY 4, 1962

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS OF
THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:15 a.m., in room 1334, New House Office Building, Hon. John Bell Williams (chairman of the subcommittee) presiding.

Mr. WILLIAMS. The committee will be in order.

We have a statement from Congressman Garmatz, which will be placed in the record at this point.

(The statement of Mr. Garmatz is as follows:)

STATEMENT OF HON. EDWARD A. GARMATZ, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF MARYLAND

Mr. Chairman and members of the Subcommittee on Transportation and Aeronautics, because other commitments prevent my appearing before you personally, I wish to submit the following statement in support of H.R. 10471, introduced by my colleague, Danny Brewster, to transfer certain administrative responsibility for the operation of Washington National Airport and Dulles International Airport from the Administrator of the Federal Aviation Agency to a Washington Airports Board.

It is difficult for me to comprehend how the FAA can perform its official duties in an impartial manner, and at the same time, operate as owners of National and Dulles Airports. Some basis for my apprehension is found in the statements made by the Chairman of the Civil Aeronautics Board and the Federal Aviation Administrator that jet traffic now using Friendship International Airport would be diverted to Dulles Airport. They stated the airlines would be "encouraged" to use Dulles and emphasized the "prestige" value of the new airport. I am convinced that the word "pressured" would be a more accurate description of the method to be used to divert the traffic, and both agencies have the means to do this.

The choice of airports they will use, is a matter for the airlines to make, and should be based on the needs of the area for the service, the economy of airline and airport operations and the safety aspects.

Insofar as needs of the Baltimore area for service are concerned, the fact that passenger arrivals and departures in 1961 increased 52 percent over 1960, and more than doubled the total in 1959, is evidence that the business is available if the airlines will furnish the service.

Congressional authorization for construction of Dulles provides for amortization of the debt within 25 years. Because of some of the unusual and costly features included in its construction, such amortization will greatly increase the fees to the airlines using the new airport. With the financial difficulties the lines are now having, and the need to operate as economically as possible to provide the best service at the lowest possible cost, it is difficult to understand how they could pay the higher fee at Dulles.

Since the beginning of operations at Friendship Airport, a capital improvement program has been maintained by the Baltimore City Airport Board and improvements are constantly being made to meet the expanding needs of the

service and to provide every possible safety feature for the present and foreseeable future, and it is second to no airport in the country in this regard.

I believe that needs for air service can best be met when the airports are on a competitive basis and flights are scheduled to airports offering the greatest convenience and lowest prices to the public and greatest economy to the airlines. There should be no other criterion.

No Federal agency should be in a position to coerce airlines to use one airport in preference to another, and to prevent such possible action, I believe that the two Federal airports should be operated by an independent agency, not a Federal regulatory agency. Therefore, I strongly urge that favorable action be taken on H.R. 10471 by your committee at an early date, so that the House and Senate will have an opportunity to consider it during this session.

Mr. WILLIAMS. Our first witness this morning is Mr. Carlton C. Massey, representing the county executives of Fairfax government, Fairfax, Va.

**STATEMENT OF CARLTON C. MASSEY, COUNTY EXECUTIVE OF
FAIRFAX GOVERNMENT, FAIRFAX, VA.**

Mr. WILLIAMS. Do you have a written statement?

Mr. MASSEY. I hope you will permit me to speak without a written statement.

I appreciate the opportunity of appearing before you at this particular time, because it is difficult for us to get free on either Wednesday or Thursday.

As you have indicated, I am Carlton C. Massey, county executive of Fairfax County, appearing here on behalf of the board of county supervisors, the governing body of that county.

The governing body has directed me to appear and discuss with you very briefly the position of that body with respect to its wishes concerning the access road to the Dulles Airport.

From the very beginning of consideration of this particular location for this airport, our governing body has expressed its desire to cooperate with any Federal agencies involved in the acquisition of property, the planning of the location, the planning of the access, and the planning of such facilities as sewage disposal, and any other elements important to this type of installation.

In the early stages we had representatives of the then CAA meet with our board and discuss the tentative thinking relative to this airport location. Our board offered the services of our planning staff and planning commission, in order that we find the best possible location in the metropolitan area, and have cooperated since that time.

When we came to the matter of an access road, our board has agreed with Federal officials that this road should be primarily a specific-purpose road for transportation from this airport to the other airport and to downtown Washington.

For that reason we have not insisted that this road have frequent interchanges with local roads in the community. In some instances the board has been somewhat in disagreement with residents of the community, who have felt that access should be made at more numerous points.

One reason our board has taken this position is that during the early discussions it was pointed out that while the main lanes of this road would be highly limited for this special-purpose use, the Government was acquiring sufficient right-of-way to permit future

construction of side roads which could be used for local traffic and carrying this traffic to the interchanges which would be constructed.

This theme did not end with the original discussion, but has been reiterated quite recently. As a matter of fact, on June 17, 1961, Mr. Halaby wrote to Senator Byrd stating:

Nevertheless, there is an alternative to consider. We have acquired enough right-of-way to permit construction of a local traffic road, and will cooperate fully with the State of Virginia in any plan for utilizing this right-of-way.

We are not quite sure what it is that the Federal Aviation Agency proposes in H.R. 7399, which gives very broad authorization to transferring this highway right-of-way and its facilities to some other agency. We, of course, have heard that it may go to the National Park Service. We realize that the National Park Service has as its major objective park areas and scenic areas with which we are in full accord. We also feel that this particular road or any other road has ample opportunity to be developed for full traffic use without detracting from its scenic value, and without making it incompatible for that purpose. Today we are simply requesting that whatever authorization is given in connection with the bill before you, or with any other legislation permitting the transfer of this access road, that it carry with it a continuance of the policy which has been established from the very beginning, has been reiterated since that time on other occasions, which policy is that there is sufficient right-of-way available to permit the construction of other roads which could be used by local residents and by traffic going to and from the interchanges which are now being provided on this access road.

I think it is not necessary to point out to you that the construction of not only the airport itself but of this road has had and will have a tremendous impact on the surrounding jurisdictions, Fairfax County and Loudoun County, primarily. We have been willing to assume that impact with such assistance as appears appropriate from the Federal Government. This road itself will, in effect, separate one portion of the county from the other with little or no access between those two areas. Persons who were neighbors 2 years ago, who could walk down a short distance to visit, are now removed miles from each other by virtue of this road, which has no crossing other than at its interchanges, and two or three under- or overcrossings of local roads.

We feel this is a reasonable request, and again, in conclusion, repeat that at this time we urge that the policy of permitting the areas within this right-of-way not essential for the specific traffic be continued to be made available to the Commonwealth of Virginia, or to any other agency in a position to construct and maintain local service roads.

Mr. Chairman, I think that is all I have to say.

Mr. WILLIAMS. Mr. Massey, how much right-of-way was acquired?

Mr. MASSEY. It is my understanding, Mr. Chairman—and I am sure that there are people here who can tell you—that the minimum width is 400 feet. That is my recollection.

Mr. WILLIAMS. That is the minimum?

Mr. MASSEY. Depending upon the terrain, I am sure.

Mr. WILLIAMS. Did Fairfax County or the State of Virginia contribute anything to the acquisition of this property?

Mr. MASSEY. Not to my knowledge.

Mr. WILLIAMS. It is your position that a portion of the right-of-way should be reserved and made available to Fairfax County and the State of Virginia for the purpose of building an access road parallel to this highway? Is that correct?

Mr. MASSEY. That is correct. And it is further our position and our feeling that it has always been planned with this in view.

Mr. WILLIAMS. It is your feeling that, in spite of the assurance that you have had from the FAA that if this road is placed under the Interior Department or the National Park Service, that the right to build an access road will be denied?

Mr. MASSEY. Well we have no information specifically to that effect; however, newspaper articles and quotations have indicated to us that possibility. And knowing the desire of this Agency, we would be concerned about that. All we are concerned with is that if they should be the recipient of this property, that they accept this same general condition which has been our understanding from the beginning.

Mr. WILLIAMS. Who would maintain the road, the access road?

Mr. MASSEY. It would be our assumption that this would have to be a State highway and maintained and controlled by the Virginia Department of Highways.

Mr. WILLIAMS. On that assumption, would it be necessary for the local government, whether it be Fairfax County or the State of Virginia, to purchase a portion of this right-of-way from the Federal Government?

Mr. MASSEY. I don't believe so. I think there is an illustration of how that has happened in the past, and I don't know the details; I am sure someone from the FAA can tell you. The State has constructed a State highway through the airport property at State expense, and cooperating, probably, with the Federal Government, which has been maintained by the Commonwealth of Virginia. And I don't believe title was transferred to the State, though I am not positive of that.

Mr. WILLIAMS. It would be a rather unusual situation for the State to build a highway on Federal property and be responsible for maintaining that highway; wouldn't it?

Mr. MASSEY. I agree with you; I think it would be somewhat unusual. But I see no reason why arrangements could not be made—or either transfer the title.

Mr. WILLIAMS. Even if it was necessary for the State of Virginia to purchase a portion of this right-of-way, as I understand from your testimony, this would not be objectionable to you or to the State of Virginia? Of course, obviously they would prefer to have that right-of-way donated to them.

Mr. MASSEY. I am not in a position to speak for either the State or the county with respect to the purchase of the right-of-way, except to reiterate again that I feel that that policy has been fairly well determined, at least by informal expressions of representatives of the Federal agency.

Mr. WILLIAMS. Mr. Friedel.

Mr. FRIEDEL. Mr. Massey, I personally wouldn't object to the FAA selling the right-of-way for the building of an access road in your particular county of the State of Virginia. I do think it ought to be 10 percent in common with the Highway Act where they have 90 percent. I think in fairness it wouldn't be much of an obligation on Virginia and it would be helping the community, at least, to use this access road. And I would have no objection, providing that there would be some remuneration made for the land and the State of Virginia builds that access road, not the Government.

Mr. MASSEY. Again, you are speaking on a subject that I can't speak on, because I don't know. But our own request is that it be left available for negotiations and for future disposition equitable to both agencies.

Mr. WILLIAMS. Thank you very much, Mr. Massey.

Mr. MASSEY. Thank you very much for the opportunity.

Mr. WILLIAMS. Our next witness is Hon. Alan S. Boyd, Chairman of the Civil Aeronautics Board.

STATEMENT OF HON. ALAN S. BOYD, CHAIRMAN, CIVIL AERONAUTICS BOARD

Mr. WILLIAMS. Mr. Boyd, do you have a prepared statement?

Mr. BOYD. Yes, I do, Mr. Chairman, a very short prepared statement. With your permission, Mr. Chairman, I would like to read my statement into the record.

Mr. Chairman and members of the committee, the Board appreciates this opportunity to present its views regarding H.R. 7399, a bill to create a National Capital Airports Corporation, and H.R. 10471, a bill to transfer the responsibility for operation of Washington National Airport and Dulles International Airport from the Administrator to a Washington Airports Board.

Although the exercise of jurisdiction over airports in the Washington area is a function of the Federal Aviation Agency, the Board is vitally interested in this matter because safe and adequate airports are an essential part of the air transportation system which the Board has the duty to encourage and develop in accordance with the provisions of the Federal Aviation Act of 1958.

For many years the Washington National Airport has been successfully operated by the FAA and its predecessor, the CAA. When it became apparent that a second airport would be needed in the Washington area to handle the increase in traffic, the responsibility for constructing and operating this facility was also entrusted to the Administrator. We believe the administrative and operational experience which the FAA has acquired over the years is an asset of great value and that it would be unwise to transfer the function of operating the airports in the Washington area to an entirely new group, particularly at this time when the facilities at Dulles International Airport are about to be placed in operation. The Board therefore is opposed to the enactment of H.R. 10471.

H.R. 7399 would provide for ownership and operation of the federally owned airports in the Washington metropolitan area by a National Capital Airports Corporation which would have autonomy and

yet would be under the direction of the Administrator of the FAA. The Administrator has testified in support of this bill and has set forth the reasons why it would be preferable to H.R. 10471. We agree generally with the testimony presented by the Administrator in support of H.R. 7399 and recommend enactment of this legislation.

Thank you, Mr. Chairman.

Mr. WILLIAMS. Thank you.

Do you feel that the legislation, H.R. 7399 as presently drafted, is satisfactory, or does the Board have any suggestions for amending it?

Mr. BOYD. No, sir, we feel it is satisfactory as now drafted.

Mr. WILLIAMS. As I understand it, the Board really exercises no jurisdiction in this matter whatsoever?

Mr. BOYD. This is a matter of Board interest rather than Board jurisdiction.

Mr. WILLIAMS. I see. The only possible role that the Board might play in connection with this airport insofar as I can determine at this time might be an unofficial or ex parte role in connection with the funneling of airline traffic to the airport. Would the Board have anything to do in connection with that?

Mr. BOYD. Yes, sir. We have the authority to designate the airports to be served by the common carriers.

Mr. WILLIAMS. It is my understanding that a statement was made some time ago by either Mr. Halaby or you or both to a group of Maryland people, at which time assurance was given, if you want to call it assurance—in Maryland they would probably call it a threat—that all jet traffic ticketed to Washington would be channeled into Dulles; is that correct?

Mr. BOYD. If I may, Mr. Chairman, just to be sure I am saying the same thing now I said then, I would like to read into the record a couple of paragraphs of a statement.

Dulles is a Washington airport, and when it becomes operational the carriers who are required to serve Washington by this certificate will be required to serve Washington through Dulles. They cannot serve Washington through Baltimore. This does not mean that Baltimore will not continue to receive adequate service. The Board has undergone a long proceeding on the question of service to Baltimore, and will continue to require that the needs of Baltimore be met.

There are two problems involved which should be clearly delineated insofar as the interests of Baltimore and Friendship are concerned. One is the need of Baltimore for air service. This the Board will assure to the best of its ability. The other is the desire of Baltimore to be Washington's airport. This we cannot accomplish.

Mr. WILLIAMS. As I understand it, the purport of your statement was to the effect that the jet operations ticketed for Washington would be carried out of Dulles?

Mr. BOYD. I think that is correct.

Mr. WILLIAMS. For example, if I were in New Orleans and I decided to come to Washington and I bought a ticket for Washington, then I would land at Dulles?

Mr. BOYD. Yes.

Mr. WILLIAMS. On the other hand, if I were in New Orleans and bought a ticket for Baltimore, then I would take a flight that went into Baltimore?

Mr. BOYD. That is correct.

Mr. WILLIAMS. Mr. Friedel.

Mr. FRIEDEL. The distance from Dulles to Washington is 30 miles. When you speak of Baltimore you are speaking of Friendship. Friendship, I think, is about 12 or 15 miles from Baltimore. It is only 31 miles from Washington, and it is just a mile farther than Dulles.

I would like to ask this one question: Does the Board permit service to Dallas and to Fort Worth at either Dallas or Fort Worth?

Mr. BOYD. In a number of cases we do. I don't know that this is true in every case, but I do know that in a number of cases it is, specifically with regard to Braniff and American, in those cases I am certain that is the case.

(See p. 175 for supplemental information furnished by CAB Chairman Alan S. Boyd in a letter to Chairman John Bell Williams, dated May 21, 1962.)

Mr. WILLIAMS. What was that question?

Mr. FRIEDEL. In other words, there is Dallas and Fort Worth; are the airlines certificated to go to Dallas or Fort Worth, or either one, or both?

Mr. WILLIAMS. If you land at Dallas you would land at Love, and if you go to Fort Worth, you would land at Amon Carter?

Mr. BOYD. That is right. But what Mr. Friedel is talking about, I believe, is that they have authorized service in that general area in terms of Dallas-Fort Worth. So that the carriers can serve the area by either operating through Fort Worth or operating through Dallas or operating through both cities' airports.

Mr. WILLIAMS. There is no circumstance, though, whereby a person would buy a ticket from Washington to Dallas, where he would be carried to Fort Worth?

Mr. BOYD. Oh, no.

Mr. WILLIAMS. Except, of course, bad weather conditions or some other reason?

Mr. BOYD. That is right.

Mr. WILLIAMS. But under normal operations—

Mr. BOYD. He goes where his ticket specifies.

Mr. WILLIAMS. From Washington to Love Field—if a person bought a ticket to Fort Worth he would land at Amon Carter?

Mr. BOYD. That is correct.

Mr. FRIEDEL. Do you contend that the Board has powers to amend the regulations now in effect at Friendship and force them to go to Dulles?

Mr. BOYD. Do we have the power to revoke the airport notices now in effect? In one particular case, yes; I can say that, with some assurance, we do, in the case of Braniff Airlines.

Mr. FRIEDEL. If you certificated them for Washington, they could use Friendship until Dulles is completed?

Mr. BOYD. Braniff has no certificate authority to serve Baltimore; that is correct.

Mr. FRIEDEL. Until Dulles is completed?

Mr. BOYD. Authorized, permitted by the Board temporarily to serve Washington through Friendship.

Mr. FRIEDEL. Yes, but where the other airlines—

Mr. BOYD. The other airlines, so far as I know, there is no—I may be wrong about this, but I have no present knowledge that the airport notices involving service at Friendship provide for service at Friendship to serve Washington; all the other carriers in Friendship have certificate authority and responsibilities to serve Baltimore as well as certificate responsibility to serve Washington.

(See p. 175 for supplemental information furnished by CAB Chairman Alan S. Boyd in a letter to Chairman John Bell Williams, dated May 21, 1962.)

Mr. FRIEDEL. Baltimore and Washington?

Mr. BOYD. Yes, sir.

Mr. FRIEDEL. As a coterminal?

Mr. BOYD. Not necessarily. We are getting into terms of art here when we start using the word "coterminal." Some of them are coterminal, some of the certificates provide for service to Baltimore as an intermediate point.

Mr. FRIEDEL. What about Newark and New York, people wanting to go to Newark, La Guardia, or Idlewild; are they certificated for New York or either one of these airports?

Mr. BOYD. My impression is that they are certificated for New York. I think that in the vast majority of cases the certificates were issued before, certainly before Idlewild was in operation, and possibly before Newark was in operation. Most of the carriers serving New York have been in there for many years. Now, whether this would make any difference I don't know.

Mr. FRIEDEL. My information is that they are certificated just to New York—anyone of the three airports, outside of the jets—go to LaGuardia.

Mr. BOYD. Yes, sir.

Mr. FRIEDEL. Mr. Chairman, I would like to make a statement first.

Mr. Chairman, at the close of the hearing yesterday my colleague, Congressman Brewster, filed for the record a copy of a letter which I think should be called to the attention of the committee, because it very definitely bears out the contention of the Maryland delegation that heat, and a lot of it, has been turned on the airlines to force them to move their jet flights from Friendship to Dulles. This letter was from the General Counsel of the FAA to the Chairman of the Civil Aeronautics Board which, as we all know, has almost life-and-death powers over the commercial airlines.

On Wednesday I thought we had assurance from Mr. Halaby that the FAA would not put any pressure on the airlines. He did not say it exactly that way, but I got that impression.

The letter Congressman Brewster put in the record yesterday is worse than pressure. In this letter the General Counsel of the FAA says quite frankly that if the airlines do not move jet flights to Dulles, they would be taken before the judge—that is, the CAB, Mr. Boyd.

The letter does not make any claims that the flights should be changed for reasons of safety or for public convenience and necessity. It merely says that use of Friendship Airport to serve the Washington area is "unsuitable." Unsuitable to whom? Not to the public, not for public convenience and necessity, but unsuitable to the FAA.

Now, bear in mind, as was pointed out yesterday, that in a recent meeting with the Administrator, the Maryland delegation was told that residents of Prince Georges and Montgomery Counties would be considered to be in the Washington area. That is almost ridiculous. It was considered at the time when we had the Washington National Airport, and they drew the line between Friendship and Washington, but now with Dulles, which is 30 miles farther away, they still use the same line through Prince Georges and Montgomery Counties, even though they actually are a lot closer to Friendship than Dulles any way you figure it, in mileage or driving time.

Let me read this letter to you and see what you think of it. I am not going to read the full letter. This was a letter to Mr. Boyd, Chairman of the Civil Aeronautics Board, Washington, D.C., on March 5, 1962. And I am going to read the last paragraph.

Mr. WILLIAMS. Who signed that?

Mr. FRIEDEL. It was signed by Daggett H. Howard, General Counsel. [Reads:]

Copies of this letter will be mailed today to Eastern Air Lines, Inc., and to the persons upon whom the airport notice was served, as shown on the enclosed list, in order to apprise them of the Administrator's opposition to the use of Baltimore Friendship Airport to serve Washington, D.C., after Dulles International Airport goes into operation on or about October 1, 1962. The Administrator reserves the right to formally object to the use of the Baltimore Friendship Airport by Eastern Air Lines, Inc., for its jet flights, and to request a hearing in connection therewith, in the event it should become necessary for him to do so.

(The letter referred to is as follows:)

FEDERAL AVIATION AGENCY,
Washington, D.C., March 5, 1962.

Hon. ALAN S. BOYD,
Chairman, Civil Aeronautics Board,
Washington, D.C.

DEAR MR. CHAIRMAN: We have obtained a copy of the airport notice dated February 23, 1962, that was filed with the Board by Eastern Air Lines, Inc. This notice, filed pursuant to section 202.3 of the economic regulations, states that Eastern Air Lines, Inc., proposes to serve Washington, D.C., with jet aircraft through the use of Friendship Airport, Baltimore, Md.

The use of an airport near Baltimore, Md., to serve Washington, D.C., is unsuitable and, as you know, Congress has authorized the construction of Dulles International Airport to serve Washington, D.C. This major airport will be completed on or about October 1, 1962. We have no objection to the use of the Baltimore Friendship Airport by Eastern jet flights serving Washington until the opening of Dulles International Airport. However, the airport notice filed by Eastern does not limit the proposed use of the Baltimore airport to this temporary period; and the Board's approval of this notice might be construed by Eastern as authorization to serve Washington, D.C., through the Baltimore airport even after Dulles International Airport goes into operation.

For these reasons, we respectfully request, on behalf of the Administrator of the Federal Aviation Agency, that the Civil Aeronautics Board notify Eastern Air Lines, Inc., that the Board's approval of the use of the Baltimore Friendship Airport for jet flights serving Washington is limited to the period until Dulles International Airport is in operation. This clarification will enable Eastern Air Lines to avoid entering into long-term leases or other commitments at the Baltimore airport through a misunderstanding of the effect of the airport notice procedure.

Copies of this letter will be mailed today to Eastern Air Lines, Inc., and to the persons upon whom the airport notice was served, as shown on the enclosed list, in order to apprise them of the Administrator's opposition to the use of Baltimore Friendship Airport to serve Washington, D.C., after Dulles International Airport goes into operation on or about October 1, 1962. The Administrator reserves the right to formally object to the use of the Baltimore Friendship Air-

port by Eastern Air Lines, Inc., for its jet flights, and to request a hearing in connection therewith, in the event it should become necessary for him to do so.

Yours very truly,

DAGGETT H. HOWARD, *General Counsel.*

Mr. FRIEDEL. Now, Mr. Chairman, if they want any proof that there is pressure being brought, this clearly brings it out.

I can understand the problem that was dumped into the lap of the FAA as to Dulles Airport. And I know Mr. Boyd was connected with the CAB at the time. It was inherited. And it involved a lot of bad guesses. But we are worried that because you have this white elephant you are going to make Friendship Airport the scapegoat of this whole problem.

Now, we do expect fair competition, and nothing more, and we don't want any pressure to be brought on the airlines to force them to use Dulles.

You are saying that you can make them go to Dulles. Won't you have to consider the public convenience and necessity and safety rather than just merely say that "we want you to go to Dulles because we have got this big, beautiful, spacious airport, the safest airport in the whole world, and the most costly airport in the whole world"—just because you have inherited this, or the FAA has, that we are going to be the scapegoats in this thing? It is not fair, and I am hoping the CAB does not force these airlines against their wishes and against the public convenience and necessity to go to Dulles.

This is the crux of the whole thing.

Mr. BOYD. May I say, Mr. Friedel, that we did receive the letter you referred to from Mr. Howard. So that you can have the complete picture, I would like very much to read the response that I sent to Mr. Howard.

Mr. FRIEDEL. I would like to have that for the record.

Mr. BOYD. This is a letter dated January 31 with reference to Braniff airlines which was our—and this represented our definitive response to the FAA.

Mr. FRIEDEL. Pardon me a minute. When I said May 3, 1962, I was in error. I don't know the date of this letter. It is not dated.

Mr. BOYD. There have been several letters. But this letter of January 31 was in response to the first letter that Mr. Howard wrote, and we gave a definitive response at that time. Our other responses have been to refer the FAA to this letter. [Reads:]

JANUARY 31.

This will acknowledge your letter of the 26th concerning airport notice filed by Braniff Airways, Inc., on December 28, to serve Washington by the use of Friendship for jet flights. Your letter states the Administrator does not object to the temporary use of Friendship by Braniff, but requests that such permission be limited to the period until Dulles International Airport is opened.

Under the Board regulations, an airport notice becomes effective 30 days after filing, unless the Board within that period takes an effective action to prevent it from going into effect. From the present situation the Board has determined, prior to receiving your letter, that it should take no action and that the notice should be permitted to become effective at the expiration of the prescribed 30-day period. We have, nonetheless, reviewed that determination in the light of your letter. As you know, Friendship is the only jet airport available to serve the city of Washington. Further, Friendship at present is used by other carriers for jet operations to Washington, and the airport notices of those carriers were

not subject to any limitation. Under those circumstances the Board finds no basis for prohibiting Braniff's airport notice from becoming effective, or for imposing any limitation on the use of Friendship as a facility to serve Washington.

Should questions arise concerning the manner in which Washington will be served following the opening of Dulles, the Board possesses adequate power under the act to deal with any problem that may arise, and to take such action as may be necessary.

This is our position, Mr. Friedel.

Mr. FRIEDEL. On just the Braniff airlines? I was referring to Eastern.

Mr. BOYD. This is our position with reference to all of these airlines, this is the stated position. And I would like to point out that, in this case that you referred to about Eastern and the one about Braniff, and there has also been a letter from the FAA about Northeast Airlines, the Federal Aviation Agency is in the same position with the Board as any other party, the FAA has a definite interest in the thing, as do the airlines, as do the city officials of Baltimore and the officials of the District of Columbia. Now they wrote and urged a certain course of action. And the Board didn't accede to their request, as we often don't accede to requests from parties. But the FAA and the Board have similar interests. We are not under any control or supervision of the Federal Aviation Agency, however. And we exercise our independent judgment. I think the ultimate answer is this: The Board by philosophy and under the requirements of the statute is permitted to see that Baltimore has adequate service. And this we will do within the powers of the statute. The service to be provided to Baltimore is going to be what the traffic demands. The same will be true of service at Dulles. The airlines are not going to go out and put flights through Dulles unless there is traffic there. And they are not going to leave Friendship as long as they have got traffic to fill up those airplanes.

Mr. FRIEDEL. And there is nothing under the law which says you can force them to do that if they don't want to go; is that it?

Mr. BOYD. Except the things that the chairman was talking about earlier; they cannot sell a ticket to Washington and you land at Baltimore.

Mr. FRIEDEL. When you speak of Baltimore, don't forget, Dulles is not Washington; it is 30 miles away; it is in Virginia.

Mr. BOYD. This is a decision I had nothing to do with making, Mr. Friedel.

Mr. FRIEDEL. If you say that Dulles is presently in Washington, then Friendship is in Washington, too. It is ridiculous to say that if they want to go to Washington they must go to Dulles.

Mr. BOYD. All I can say, Mr. Friedel, is that I sympathize with you. But you are talking before a court that has no power to resolve that issue, that was done by a higher power.

Mr. FRIEDEL. When they say they want to go to Washington, they probably mean the Washington area, and it could just as well mean Friendship.

In questioning Judge Durfee, then Chairman of the Civil Aeronautics Board, about service to Washington through Friendship in hearings before this committee in 1957, I got the impression that the

Board was encouraging the airlines to serve Washington through Friendship. He said:

The Board would encourage and look with favor upon any airline that found that it could reschedule its flights so as to name the Friendship Airport a coterminal with Washington. In designating a route or certificating an airline over a route, we do not specify the airport. We say, "Chicago to Washington." We stated that we are ready to designate the Friendship Airport and have designated it as a coterminal for such airlines as might voluntarily themselves find it expedient to reschedule flights—change from Washington to Friendship.

Do you know of any reason why the completion of the new Washington airport should make a change in the Board's position?

Mr. BOYD. Of course, that is another thing that transpired before I was here. And I am not really trying to duck that, although maybe I should, because I find I can create enough of my own troubles without getting into others that I had nothing to do with. But I will say that if that testimony was true in 1957, it came about before the Congress had made the decision to build an airport to serve Washington.

Mr. FRIEDEL. No, it was in 1957 that they appropriated the money, it was all in the works at that time. The airport was authorized in 1950.

Mr. BOYD. There would be an opportunity—clearly, Judge Durfee was right, if a carrier wants to file an application to serve Washington through Friendship, it would be entitled to file the application, there would be a hearing, and the matter would be resolved.

Mr. WILLIAMS. Will the gentleman yield at that point?

Mr. FRIEDEL. Yes.

Mr. WILLIAMS. In such a circumstance would passengers desiring to go to Washington through Friendship be ticketed to Baltimore or ticketed to Washington?

Mr. BOYD. Of course, I would think that they would have to be ticketed to Baltimore. Now, this is a horseback opinion, but Friendship, for whatever reason, is known as Baltimore's airport, it is not known as Washington's airport. You have the geographical affinity there which makes Friendship, in relation to Baltimore, about the same as Amon Carter in relation to either Fort Worth or Dallas. But in that case, in Fort Worth, for example, where Amon Carter lies halfway between the two cities, the tickets are sold to Fort Worth if people are going to Amon Carter, because it is Fort Worth's airport, it was built with Fort Worth money and Federal money, and it is operated by the city of Fort Worth.

Mr. FRIEDEL. What happens when people want to go to New York and land at Newark, they are ticketed to New York?

Mr. WILLIAMS. I have always found that when I buy a ticket to New York they ask me if I want to go into Newark or if I want to go into Idlewild. And you buy your ticket on a flight that is going into the field that you desire to go into.

Mr. FRIEDEL. Right. That is what I want, for them to take the same stand. If they want to go into Dulles, fine; or if they want to go into Friendship, fine. And if they would do the same that they did years before they even built Dulles, and still keep the same lines in effect that are running through Maryland, and say that is the Washington area, fine. Now, if you change your line, a lot more people

will want to come to Friendship, if you actually say that is Washington.

Mr. BOYD. I don't know about the change in the number of people, Mr. Friedel. But we are dealing with a large metropolitan area, and we have got airports on two sides of the town, the city, of the community. And obviously, it is going to be closer for some people to go to Friendship, and it will be closer for other people to go to Dulles. I can't help that.

Mr. FRIEDEL. That is all right. I call that fair competition. But to say that anybody that wants to go to Washington must go to Dulles, that is the point that I am objecting to.

Mr. BOYD. I don't understand that I have made any such statement. What I have said is that if people want to go to Friendship, they buy a ticket to Baltimore. If people want to go to Dulles, they buy a ticket to Washington.

Mr. FRIEDEL. Suppose they want to go to Friendship to go to Washington, which is closer for some of them, what happens then?

Mr. BOYD. I don't know.

Mr. FRIEDEL. In a great many instances you are going to find it much quicker, better driving time, and less mileage by landing at Friendship to come to Washington than you will find landing at Dulles.

Mr. BOYD. I must agree with you on that. It is going to be up to the traveling public. That is the gist of the situation. As I understand it, the fact that the airlines have reached an agreement with the FAA on landing fees doesn't commit them to land so many airplanes at Dulles, they are going to put the airlines where the business is. And if the traveling public wants to go in or out of Washington through Friendship, that is their business, because they are paying for the ride.

Mr. FRIEDEL. If a carrier now serving Washington or Friendship under an airport notice were to withdraw their notice and file a new notice announcing their intention to serve Baltimore through Dulles would such a notice be approved by the Board?

Mr. BOYD. Yes, sir.

(See p. 175 for supplemental information furnished by CAB Chairman Alan S. Boyd in a letter to Chairman John Bell Williams, dated May 21, 1962.)

Mr. FRIEDEL. As being in the public interest?

Mr. BOYD. Yes, sir.

Mr. FRIEDEL. Then how will it be the other way, when they want to serve Washington through Friendship?

Mr. BOYD. That is the existing situation.

Mr. FRIEDEL. And you are not going to change that?

Mr. BOYD. I have no knowledge of any action we will take, with the exception of Braniff. I don't mean to say that we will not in the future undertake some action, but we have no present intentions of doing so.

Mr. FRIEDEL. What would be the guidelines if you did?

Mr. BOYD. I don't have any idea, I am just leaving myself a loophole in case something comes up, because we haven't given this any thought.

Mr. FRIEDEL. Would the public convenience and necessity be considered?

Mr. BOYD. Surely. The public interest is our criterion.

Mr. FRIEDEL. And it won't be because you have this big, beautiful, expensive airport?

Mr. BOYD. That enters into it.

Mr. FRIEDEL. That is what we are worried about.

Mr. BOYD. I think it is obvious, Mr. Friedel, that where you have got a new facility, and the question is raised as to whether or not it is in the public interest to stay where they are or to use the new facility, then that new facility does definitely come into consideration.

Mr. FRIEDEL. But do you intend to have any checkers ask people when they get off—not when they arrive at Dulles, but after they get to their destination in Washington, D.C.—to find out whether they would rather go to Dulles or Friendship?

Mr. BOYD. No, sir.

Mr. FRIEDEL. They won't know until they get to Dulles and find out what a long distance it is away from Washington. And the road will not be complete, I think, until 1968.

Mr. BOYD. We run our surveys, what we call origin and destination surveys, but we don't ask our people where they are happier traveling to, that is getting into airline management. And we have to keep clear in our mind that a regulatory agency is not running an airline, we are regulating, they have got the management and management responsibilities to serve the public within the framework of their certificates.

Mr. FRIEDEL. What did your survey show? You said you made a survey.

Mr. BOYD. We do this constantly.

Mr. FRIEDEL. What is the running time from Dulles, say, to the Statler Hotel?

Mr. BOYD. I don't have any idea. Mr. Halaby testified the other day, I believe, that he would take an average of 50 minutes. But we don't do this on running time, we merely try to find out on a sampling basis, we have to do it on sampling. At regular periods we check ticket stocks, and we check on occasion individual passengers, ask them to fill out a questionnaire, where did you come from and where are you going. This gives us our information on traffic flow. Traffic flow is what we are interested in. Our certificate proceedings primarily are utilized to find out where people want to go and how they want to travel.

Mr. FRIEDEL. We had a statement yesterday giving the driving time, I don't know whether I have it here or not—we have a statement here from Mr. Baker on behalf of the Airport Board of Baltimore City. And I want to read this.

Recently tests by bus, limousines, and private automobiles have been made from points in the Washington area to Friendship and to Chantilly over the best available routes in each case. The tabulated time for the Virginia airport made allowance for the use of the as yet uncompleted access roads instead of the slower routes presently available.

Now, that was taken into consideration. Now, they use Mount Rainier, Md., to drive to Friendship, and take 65 minutes; to drive to Chantilly would be 110 minutes—45 minutes longer; and Cheverly,

Md., would take 40 minutes. It would take 121 minutes to Chantilly—81 minutes longer; to Hyattsville, 57 minutes; 120 minutes to Chantilly—63 minutes longer; to College Park, Md., 57 minutes; 130 minutes to Chantilly—73 minutes longer. To Silver Spring, Md., would take 75 minutes to Friendship, 111 minutes to Chantilly—36 minutes longer.

And they give others here. I give here one I think is very good. The new bus terminal, 12th and K Streets NW., it is 75 minutes from there to Friendship; 85 minutes to Chantilly. It takes you 10 minutes longer from the bus station. They went over there, and they give the best times available, the best routes available. And they observed that even after the new expressway is completed—that is the time that it will take. It takes much longer than that now to get to Chantilly.

Now, will the public be considered as to public convenience and necessity in driving time?

Mr. BOYD. We try to consider all facets of public interest, Mr. Friedel. In a minor way we have the same problem that you do in Congress. We have to balance out a lot of different interests, and we try in our decisions to balance them out in such a way that it will be the best for the greatest number of people. Our judgment is not infallible, but we, I think, can say without any great fear of contradiction, that we are extremely conscientious about this, we reach the stage where we have to make decisions, and we make them and we make them with good will toward our fellow man and everybody involved.

Mr. FRIEDEL. Do you know how long it took us to get the adequacy-of-service case concerning Friendship resolved?

Mr. BOYD. Yes, I know how long it took you. But I will say this: If you will look at that record you will find that it was a very bitterly contested thing. And if you will look further at the Federal Aviation Act, you will find that the Civil Aeronautics Board has no statutory criteria on which it can hang its hat, we had to develop criteria through implication as we went along. And believe me, this is not an easy thing to do.

Mr. FRIEDEL. I agree with you on that. But it proves, now that we are getting more service and flights out of Friendship, that the airport business has picked up tremendously. I am not only counting the jet flights.

Mr. BOYD. I think that is true. We were fully in accord that the service to Baltimore was inadequate. And as I recall, we insisted on additional service being placed in there between Baltimore and various other markets. And some of the courts felt we didn't have the power to do what we ordered. And I am happy to say that the courts agreed that we did have the power to do it. And that is why, I think, that the folks in the Baltimore area, where they are concerned about air service, should have a little faith in the Board.

Now, I can see that if any flights were moved from Friendship to Dulles, this is going to have a bearing on the revenue of Friendship Airport. But this is a different thing than adequate air service to Baltimore and its surrounding area.

Mr. WILLIAMS. Will the gentleman yield?

Mr. FRIEDEL. Yes.

Mr. WILLIAMS. The figures that the gentleman just gave, I noticed, were all from points in the northeast part of Washington to Friendship, northeast or northwest Washington.

Mr. FRIEDEL. The last one I used was northwest.

Mr. WILLIAMS. By the same token, if you took points in Fairfax County, or points in Arlington County, or points in certain parts of Northwest Washington, you would get the reverse of those figures. I can understand the problem that Maryland faces. And it is indeed a perplexing problem. But I would presume that if I were in New Orleans, Dallas, Fort Worth, or Los Angeles, that I would buy a ticket to Washington, that your schedules would more or less determine whether I went into Baltimore or went into Dulles. For instance, if I wanted to get to Washington by noon and there is a flight leaving Kansas City at 9 o'clock going to Baltimore, I would certainly take that in preference to a flight leaving at 11 o'clock getting into Dulles at 1:30. And I would think that that would probably be the governing factor, to a large extent in the way the people will be ticketed to this area.

Mr. FRIEDEL. That is just my point, Mr. Chairman. Now, if I want to get a flight to Los Angeles, I go to Friendship. If they take off some of these jet flights and put them into Dulles, it takes me 40 minutes to get from my home to Friendship, and it would take me 2 hours to get to Dulles, I would either have to go by train or get the limousine here. This happened before we had a charter. We couldn't get through flights to Chicago, we couldn't get through flights to Miami Beach. We had to come over to Washington to get a flight. And we came over by train or we drove over. Now, we do have adequate service to Miami Beach, through flights. It is a jet flight. And I am worried whether they are going to take that flight away and send it to Dulles. Los Angeles, I go out there three or four times a year. And now, if they take the flights away and send them over to Dulles—

Mr. BOYD. Mr. Friedel, I think, whether you believe it or not, the airlines are in business to make money, and they make money by going where the passengers want to go.

Mr. FRIEDEL. Fine. I was told that the airlines do not want to go to Dulles. I know one airline that lost a lot of money last year, and they claim that it will cost them a million dollars more a year to operate if they have to go to Dulles.

Mr. BOYD. I don't doubt that.

Mr. FRIEDEL. And they are going to have some flights at Friendship and some at Dulles. It is going to cost them a million dollars a year, and they are losing money. I can't see an airline doing that unless pressure was brought on them.

Mr. BOYD. I don't think it was quite that simple, because you have got different things involved. A lot of the airlines, for example—I guess all of the airlines serving Los Angeles have just had to move into a new terminal operation which costs them a great deal more money. But I can't just say, here it costs some \$200,000 and over there \$1,200,000, therefore it is costing them \$1 million more, because, for one thing, at Dulles they have got a unique situation where the aircraft will land and have very short taxi distance to their parking ramp and a very

short taxi distance to their takeoff runway. The information I have is that it costs between \$37 and \$58 per minute to taxi a jet aircraft. Now, this adds up over a period of time to a great deal of money. And you do not have that situation at Friendship. Friendship is a wonderful airport. And I feel very safe and happy flying in and out of Friendship. But from the standpoint of costs, when United or TWA or any of the rest of them land on a runway, they go zooming at a mile and a half and they taxi back, and sometimes they have to taxi a mile or a mile and a half to get out to the takeoff runway. This is costing them money at the rate of \$37 to \$58 per minute, depending on how far—what type of aircraft they have. So the difference in cost cannot be taken as an absolute proposition.

Mr. FRIEDEL. Let me ask you one question here. Will the Board have the common rate to Washington-Baltimore the same as they had for Dallas and Fort Worth?

Mr. BOYD. I don't know, I can't tell you that. It hasn't come up, to my knowledge, so I can't give you an answer.

Mr. FRIEDEL. I can see anyone coming up from New Orleans going to Dulles; of course, it would be further to go to Friendship. But if they are coming from Boston and land at Friendship, it would be much cheaper than to land at Dulles.

Mr. BOYD. It is cheaper. Of course, you get back into this drawing a line, and that is why I can't answer you. As I stated earlier, the Fort Worth Amon Carter field is directly in the middle between Dallas and Fort Worth. And I can see why that would be common rated, I think. And whether this a similar situation, a situation with sufficient similarity, I just don't know.

Mr. FRIEDEL. I just want to ask you one question. Do you know how many airlines now serve Washington and Baltimore through Friendship Airport?

Mr. BOYD. How many serve both Washington and Baltimore?

Mr. FRIEDEL. Through Friendship.

Mr. BOYD. Serve Washington through Friendship?

Mr. FRIEDEL. Yes.

Mr. BOYD. I think all of the aircraft operating jets serving Washington through Friendship on the jet flights, that would be American, Delta, Northeast, TWA—I don't know whether National has a jet into Friendship or not.

Mr. FRIEDEL. United does.

Mr. BOYD. United does. I believe on the international side Pan American and BOAC operate their Washington service through Friendship.

Mr. FRIEDEL. And they serve Europe and Puerto Rico, I know, out of Friendship.

Mr. BOYD. And, of course, currently Braniff is also serving Washington through Friendship.

Mr. FRIEDEL. Is there any way that you can force the airlines to transfer flights from Friendship to Washington or Dulles? Is there any way, considering the public convenience and necessity?

Mr. BOYD. No, I don't think so, not in that light. I will tell you what we can do, is to force, to use that word, the airlines to provide adequate service from Washington through Dulles. Now, this would not be forcing them to take flights out of Friendship, but as an eco-

nomic proposition, I would say that if the airlines conceive that certain of their services in Friendship now altogether are primarily for the use of Washington traffic, they would then move some flights.

Mr. FRIEDEL. Could you do this without showing that the service is needed in Washington to Dulles?

Mr. BOYD. No, we have hearings, we would have to have a hearing—we don't have any authority to act in an arbitrary manner, and I would hope that we wouldn't do so even if we had such authority.

We take actions on the basis of a record.

Mr. FRIEDEL. In the hearings in 1957 it was pointed out that in New York area the Board did not designate the airports, but only designated New York as a terminal, leaving it up to the airlines to pick any one of the three airports in the area.

Is that still the same situation with reference to New York?

Mr. BOYD. Yes, sir.

Mr. FRIEDEL. Then why can't the same rule be applied to the Washington-Baltimore area?

Mr. BOYD. It is possible to do so.

Mr. FRIEDEL. It is possible to do so; I hope so.

That is all, Mr. Chairman.

Mr. Boyd, you wouldn't mind if we had Mr. Karl Grimm—he is with the Baltimore Association of Commerce, Baltimore City—file an answer to your statement for the record.

Is that all right, Mr. Chairman?

Mr. WILLIAMS. Surely.

Mr. BOYD. I am sorry, I didn't understand you. Whatever you want to do is all right; I didn't hear you.

Mr. FRIEDEL. Mr. Grimm of the Association of Commerce of Baltimore City would like to answer your statement.

Mr. WILLIAMS. The record will be kept open for a reasonable length of time.

Mr. BOYD. Surely.

(The following letter was received from Mr. Grimm dated May 14, 1962:)

BALTIMORE ASSOCIATION OF COMMERCE,
TRAFFIC AND TRANSPORTATION BUREAU,
Baltimore, Md., May 14, 1962.

Hon. JOHN BELL WILLIAMS,
Chairman, Subcommittee on Transportation and Aeronautics,
Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. WILLIAMS: I appreciate the opportunity which you gave me to comment for the record on behalf of all Baltimore interests on the testimony which Hon. Alan S. Boyd, Chairman, Civil Aeronautics Board, gave your committee on May 4, 1962, in the hearing on H.R. 7399 and H.R. 10471.

I refer particularly to the colloquy between Mr. Boyd and Hon. Samuel N. Friedel, which begins at the bottom of page 170 of the typewritten print, continues on the following page, and is as follows:

"Mr. FRIEDEL. If a carrier now serving Washington or [through] Friendship under an airport notice were to withdraw their notice and file a new notice announcing their intention to serve Baltimore through Dulles, would such a notice be approved by the Board?

"Mr. BOYD. Yes, sir.

"Mr. FRIEDEL. As being in the public interest?

"Mr. BOYD. Yes, sir."

Part 202 of the Economic Regulations of the Civil Aeronautics Board governs the situation to which Mr. Boyd refers. Section 202.3 requires, in essence, that if a holder of a certificate of necessity and convenience desires to serve regularly

a point which the holder is otherwise authorized to serve regularly, through an airport not then regularly used or authorized to be used by the holder to serve such point, an airport notice must be filed with the Board. This notice must be filed with the Board at least 30 days prior to the intended use, and must be specifically approved by the Board before it becomes effective. Service of the notice must be made upon certain interested parties as required by the section, and the right is given these parties to file protests. If the Board finds, either because of these protests or on its own motion, that the proposed use may adversely affect the public interest, it issues a show-cause order to the applicant. It then relies upon evidence produced by the applicant and the protestants as to whether or not the use proposed will adversely affect the public interest. Presumably the disappointed party has the right under the Administrative Procedure Act to court review of the Board's decision (see *City of Dallas v. C.A.B.*, 221 F. 2d 501, cert. den., 348 U.S. 717).

In stating that the Civil Aeronautics Board would approve an airport notice announcing a carrier's intention to serve Baltimore through Dulles International Airport as being in the public interest, Mr. Boyd prejudices the issue. It is Baltimore's firm contention that in no case could the obligation of a carrier to serve Baltimore under its certificate be fulfilled through the use of Dulles International Airport and still be in the public interest, particularly if it be contended, as Mr. Boyd implies on page 171, that the use of Friendship Airport to fulfill an obligation to serve Washington is not in the public interest. I will not impinge upon the time of your committee to demonstrate such an obvious fact.

As I stated in my former testimony, it is in situations such as these that pressure can be brought upon airlines to move existing flights from Friendship to Dulles, even though they do not desire to do so.

We recognize that the Board has the power to require the carriers to provide adequate service for Baltimore and are grateful to it for its past decision in this respect. However, if the carriers are to be permitted to fulfill their Baltimore obligations by using Dulles International Airport, this power becomes illusory in the extreme.

I am sending a copy of this letter to Mr. Boyd in the hope that he may clarify this situation for us.

Yours very truly,

KARL J. GRIMM,
Transportation Director.

MR. FRIEDEL. I want to thank you, Mr. Boyd. Don't believe that I feel bitter against you. I blame it on your predecessor, and please don't feel that I am overzealous. But the port of Baltimore is the lifeline of the State of Maryland, and we are very much interested.

MR. BOYD. I can say, sir, we appreciate your problem, sir. And we appreciate very much the opportunity to appear here and testify. And thank you very much.

MR. WILLIAMS. Thank you, Mr. Boyd.

(The following letter was supplied by CAB Chairman Alan S. Boyd to Chairman John Bell Williams for clarification of the record.)

CIVIL AERONAUTICS BOARD,
Washington D.C. May 21, 1962.

HON. JOHN BELL WILLIAMS,
Chairman, Subcommittee on Transportation and Aeronautics, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR JOHN: On May 4, 1962, I appeared before your subcommittee and testified with respect to H.R. 7399 and H.R. 10471 relating to a National Airports Corporation and Board. After reading the transcript of the hearing I have noted several respects in which my testimony should be corrected or supplemented. I wish to request, therefore, that the following corrections or explanations be accepted and made a part of the record.

(1) At page 155 of the transcript, I was asked whether the Board permits "service to Dallas and to Fort Worth at either Dallas or Fort Worth," and responded that in a number of cases we do.

I am advised that in most instances the carriers are certificated to serve both Dallas and Fort Worth as separate points. A check of our airport files shows that in these cases all U.S. carriers serve Dallas only through Love Field, and Fort

Worth only through Amon Carter Field. The only carriers which serve both Dallas and Fort Worth through a single airport (Love Field) are Compania Mexicana de Aviacion, S.A., a Mexican carrier which holds a permit naming Dallas and Fort Worth as coterminal points, and American Airlines on its Mexican route which includes the dual point "Dallas-Fort Worth." In addition, one U.S. carrier is certificated to serve Dallas-Fort Worth (to be served through the Amon Carter Air Field), and of course renders service only to that airport on that segment of its operation.

(2) On page 156, line 11, the reference to "Dulles" should be changed to "Dallas".

(3) On page 157, line 9, "Washington" should read "Braniff."

(4) On page 157, lines 15-21, in speaking of airport notices, I stated that, with the exception of Braniff, the airport notices involving service at Friendship do not provide for service at Friendship to serve Washington, since such carriers have certificate authority to serve Baltimore as well as Washington.

I am advised that with the introduction of jet service for the purpose of serving Washington through Friendship, airport notices were filed by the carriers specifically requesting the use of Friendship for the purpose of serving Washington.

(5) On pages 170-171 I was asked the following question: "If a carrier now serving Washington or Friendship under an airport notice were to withdraw their notice and file a new notice announcing their intention to serve Baltimore through Dulles, would such a notice be approved by the Board?" I replied in the affirmative.

As Mr. Grimm of the Baltimore Association of Commerce has pointed out in his letter to you dated May 14, 1962, this answer is obviously incorrect, and I can only assume that I misunderstood the question put to me. My testimony throughout demonstrates, I believe, that it has been my position that Friendship is the Baltimore airport, and also that the Board intends to provide for adequate service to Baltimore. It is obviously difficult if not impossible to imagine a factual situation in which the Board would be able to find that, notwithstanding the continued availability of Friendship, Dulles could be used in lieu of Friendship for the purpose of serving Baltimore.

(6) A number of questions were asked concerning the ticketing of passengers, and I am not certain that my responses are clear in the context of the questions and the discussion. The guiding principle, I believe, is that after an airport has been approved by the Board as an airport serving a particular city, passengers ticketed to or from that city may be carried to or from the airport in question, and such passengers should not (absent some emergency) be carried to or from an airport not approved as an airport serving that city. In appropriate factual situations, however, this principle does not preclude an airport from being approved to serve more than one city, nor does it preclude two or more airports from being approved for the purpose of serving one city.

Sincerely yours,

ALAN S. BOYD, *Chairman.*

Mr. WILLIAMS. I have a letter from S. G. Tipton, Air Transport Association, which will be placed in the record at this point.

(The letter referred to is as follows:)

AIR TRANSPORT ASSOCIATION,
Washington, D.C., May 2, 1962.

HON. JOHN BELL WILLIAMS,
Chairman, Transportation and Aeronautics Subcommittee, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We appreciate the opportunity to comment on H.R. 7399, a bill to create the National Airports Corporation, to provide for the operation of the federally owned civil airports in the District of Columbia or its vicinity by the Corporation, and for other purposes, and on H.R. 10471, a bill to transfer certain administrative responsibility for the operations of Washington National Airport and Dulles International Airport from the Administrator of the Federal Aviation Agency to a Washington Airports Board, and for other purposes.

During hearings held by your subcommittee on H.R. 7399 in the 1st session of the 87th Congress, Mr. J. D. Durand, then secretary and assistant general counsel of the Air Transport Association, testified at length in presenting the views of the scheduled airlines on this proposed legislation.

The views of the association and its member airlines with respect to H.R. 7399 are substantially the same as those presented to the subcommittee last July by Mr. Durand. We would not wish to prolong the present hearings by restating our position.

When Mr. Durand testified, he proposed several amendments to the bill which are required if the fullest utilization of Dulles International is to be realized and the interests of the airlines and other airport tenants are to be adequately protected.

These amendments, together with our reasoning therefor, are set forth in the attached copy of Mr. Durand's testimony. We respectfully urge upon the committee the incorporation of those amendments into H.R. 7399.

In concluding his testimony last year with respect to H.R. 7399, Mr. Durand stated (p. 50 of the printed hearings):

"The airline industry feels that there is much merit in an incorporation bill. We are not opposed to incorporation.

"We do feel that the present bill is unsatisfactory. It needs to be amended to make clear certain rights and obligations of the tenants and rights and obligations of the FAA with regard to fees and charges, to the end that fees and charges will be reasonable and that the airport will be used to its fullest extent."

With respect to H.R. 10471 (to provide for operation of the Washintgon area airports by a Washington Airports Board), we have found it difficult to formulate comments that would be useful to your subcommittee. The proposal for a Board-type operation is stated in such broad and general terms that we have been unable to conclude what net effect it would have on the operations of the airports and our relations thereto.

It is our view that any proposed change in administrative responsibility for these airports should state in specific detail the terms of transfer, together with the operational obligations and limitations of authority of the new agency.

Please be assured of our continuing desire to be of service to you and your subcommittee.

Very truly yours,

S. G. TIPTON.

Mr. WILLIAMS. That concludes the hearings on this legislation in the present schedule.

The committee will adjourn.

(Whereupon, at 11.20 a.m., the committee adjourned.)





